Austria ... Sch. 18	Indonesia .. Rp 2500	Portugal ... Esc 80
Bahrain .. Din.0.650	Italy .... L 1300	S. Arabia .. Rls 6.00
Belgium ... BFr.38	Japan Y550	Singapore .. S$ 4.10
Canada .... C$2.00	Jordan Fils.500	Spain ..... Pta 110
Cyprus .... C£0.80	Kuwait Fils.500	Sri Lanka ... Rup 30
Denmark .. Dkr.7.25	Lebanon .... L£ 6.00	Sweden .... Skr 6.50
Egypt ..... E£1.00	Luxembourg .. LFr.38	Switzerland SFr 2.20
Finland ... Fmk 6.00	Malaysia ... Rm 4.25	Taiwan ..... NT $65
France ... FFr. 8.00	Mexico ... Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco ... Dh 6.00	Turkey ..... L 210
Greece ...... Dr 70	Netherlands . Fl 2.50	U.A.E. .... Dh 6.50
Hong Kong . HK$ 12	Norway ... NKr. 6.00	U.S.A. $1.50
India ..... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,550 — Thursday February 14 1985 — D 8523 B

Air travel: clouds in Europe's open skies dream, Page 4

World news

Strasbourg VE Day invitation to Reagan

The European Parliament has invited President Ronald Reagan to address it in Strasbourg on May 8, the 40th anniversary of VE Day, when World War II ended in Europe.

Details of the invitation were given by M Pierre Pflimlin, President of the Parliament, after an emergency meeting of the leaders of the political group.

Mr Reagan will be in Bonn for the annual economic summit of Western leaders and on a state visit from May 4-8. M Pflimlin said that the invitation was not deliberately made to celebrate VE Day but the date fitted in with the U.S. President's travel plans.

China opens doors

China will treble the number of cities and rural counties which foreigners can visit without special police permits and open 87 new areas, the Foreign Ministry said.

Vietnamese attack

Thousands of Vietnamese troops backed by tanks and armoured personnel carriers advanced amid heavy fighting towards Kampuchean guerrilla bases near the Thai border. Meanwhile, Vietnam said its forces killed, wounded or captured about 250 Chinese troops who intruded on its northern border provinces. Page 3

N-plant attacked

Iraqi aircraft attacked an Iranian nuclear power plant site at Bushehr with rockets, killing one man and injuring several others, an Iranian embassy spokesman said in Vienna. There was no danger of a nuclear explosion at the site, he said.

White wedding

An American couple were married in an outdoor ceremony at the South Pole at −45°C (−81°F). Meanwhile, Cyprus ornithologists said migrating cranes seen flying north over Cyprus might herald milder weather in Europe – and ice still hampered a Soviet icebreaker's efforts to free over 1,000 whales trapped near Alaska.

Anti-polio drive

Finland is vaccinating its entire population against polio after the discovery that about 200,000 Finns could be carriers of a new strain of the disease.

Miners to sue

A black South African miners' union said that 164 of its members were suing the Government for damages over alleged assaults by police during the first legal strike by black miners last September. Page 3

27 die in hotel fire

At least 27 people were killed and 30 injured when fire swept a Manila hotel.

Unesco plea

The Soviet Union urged Unesco to stop employing Americans following the withdrawal of the U.S. from the Paris-based UN agency. France said it would voluntarily donate FFr 20m ($2m) to reduce the deficit caused by the U.S. pull-out. Page 2

European race

The European Commission said it had agreed to put up Ecu 40,000 ($28,000) towards organising a round-Europe yacht race.

Doctors on strike

Spain's public health service doctors began a three-day strike but authorities ordered many of them to stay at work to handle emergencies.

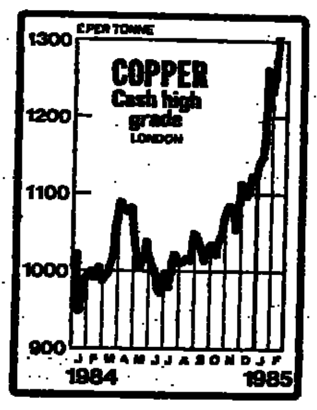
Business summary

3-week halt for D-Mark issues

WEST GERMAN Capital markets sub-committee has decided not to allow any new issues in the D-Mark foreign bond market for three weeks. The committee will meet again on March 6. Page 44

DOLLAR rose in London to DM 3.2990 (DM 3.2950); FFr 10.0850 (FFr 10.0450); SwFr 2.81 (SwFr 2.8010), but fell to Y262.75 (Y263.15). On Bank of England figures, the dollar's exchange index rose to a record 151.1 from 151.1.

STERLING was unchanged against the dollar at $1.0880. It rose to DM 3.59 (DM 3.5850); FFr 10.9725 (FFr 10.9225); SwFr 3.0575 (SwFr 3.0475), but fell to Y285.75 (Y288.25). The pound's exchange-rate index fell to 70.9 from 71.0.



COPPER prices reached a new five-year high yesterday despite news of a strike hitting the Southern Peru Copper Corporation. Higher grade copper closed £16.75 up at £1,303.75 ($1,408) a tonne, up nearly £60 this week, mostly because of the fall in sterling against the dollar. Page 42

GOLD rose $0.50 on the London bullion market to close at $303.00. It rose in Zurich to $303.00 from $302.75. In New York, the Comex March settlement was $303.60.

LONDON: Equities staged a tentative recovery while gilts traded nervously. The F.T. Ordinary index gained 7.8 at 977.9. Section III

WALL STREET: The Dow Jones industrial average closed 21.31 up at 1,297.92. Section III

TOKYO: The Nikkei-Dow market average fell 2.18 to 12,025.71. Section III

YUGOSLAVIA began talks with an IMF team on a new one-year stand-by credit arrangement. Page 2

EUROPEAN Commission is expected to veto Britain's £20m ($21.6m) aid scheme for its textile industry. Page 24

MALAYSIAN stock exchange has decided to postpone indefinitely the introduction of settlement trading, proposed as a way of injecting more activity into the market. Page 28

FRENCH commodity brokers complained about lack of consultation over a project to introduce financial futures trading at the end of this year. Page 42

U.S. COURT granted a temporary restraining order blocking Wall Street financier Carl Icahn's partial bid for Phillips Petroleum. Page 25

U.S. Commerce Secretary Malcolm Baldrige said he saw an upward trend in consumer spending boosting domestic production and employment. His department reported January retail sales had risen 0.7 per cent. Page 4

IBM, the world's biggest computer maker, is stepping up the prices of its products in the UK because of the effect of the dollar's strength on its profits there. Page 25

HEINZ, the U.S. food group, is planning a wide-ranging shake-up of its UK operations which will cost £60m ($66m) and mean the loss of 1,220 jobs. Page 25

ATLAS-COPCO, the Swedish engineering, mining and construction equipment group, boosted its profits by 144 per cent to SKr 573m ($62m) after a rigorous restructuring programme. Page 25

BNOC falls into line with Opec pricing system

BY DOMINIC LAWSON IN LONDON

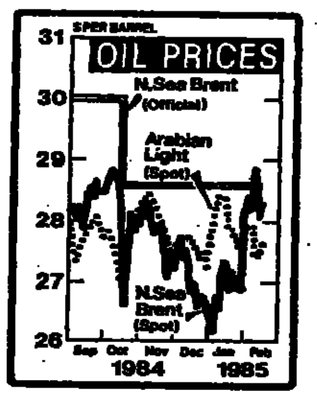
FEARS of a fresh price war among oil producers receded last night when *British National Oil Corporation* (BNOC) signalled its intention to fall into line with the worldwide pricing system set up by the Organisation of Petroleum Exporting Countries (Opec).

BNOC told all suppliers of North Sea oil that it is proposing to leave the price of its key Brent crude unchanged at $28.65 a barrel for January and February.

This move is likely to cost BNOC about £50m ($54m) since it has sold all its entitlement to North Sea oil for the two months at an average price of about $27 a barrel on a depressed spot market.

The British Government appears to regard the loss as a small price to pay if it helps to prevent a price war, which Opec had threatened if BNOC prices were cut. A more immediate policy objective is the defence of sterling, which could have weakened more sharply against the dollar.

BNOC, which buys and markets half of Britain's North Sea oil output, had held its prices steady since December while free market prices have fallen. Last night's announcement will put the corporation back in favour with Opec – BNOC is not a member – and even more so with North Sea producers, who have been bracing themselves for price cuts. A director of one leading North Sea *supplier* said: "This is beautiful news; it has made my day."



The announcement helped to push March shipments of Brent, the UK marker crude, up by 10 cents to $28.10 a barrel. Traders said BNOC itself had sold a cargo of Brent for March delivery at $28.75, 10 cents above the official price.

Behind the scenes BNOC has been advocating a move to lower spot-related official prices. It dislikes being baled out in public by the Government, and has become equally uncomfortable as its own rigid official price has been used as a target for Opec's pricing ambitions.

Last October, a decision by Britain and Norway to cut prices caused the international crude market to tumble and sparked emergency efforts by Opec to stabilise the market.

It had seemed likely that BNOC would succeed in adopting a more flexible spot-related pricing policy. Last month, however, Opec ministers meeting in Geneva realigned prices, bringing Nigeria up to the apparently defunct BNOC official price of $28.65 and basing its other crude oil prices on that marker.

This was a challenge to Britain to either endorse the concept or face a price war.

The UK Government yesterday laid a minute before the House of Commons, giving notice that it will need an additional supplementary estimate for BNOC. The minute said that BNOC's "losses are likely to exhaust nearly all of its reserves as at December 31 1984, as restored by the grant in December."

In December the government had to ask parliament for £45m to cover earlier losses by BNOC, resulting from the government's determination to keep an official UK price well ahead of the best price the corporation could obtain at the time.

The House of Commons Energy Select Committee is to launch an inquiry into UK oil price policy.

Spot oil prices, Page 42

Investment in French industry set to rise

BY DAVID HOUSEGO IN PARIS

A SIGNIFICANT recovery in French industrial investment is under way according to Crédit National, the state-controlled institution most involved in medium and long-term lending to industry.

Crédit National said yesterday it expected industrial investment to rise 11 per cent in real terms this year after an increase of 4.1 per cent in 1984. The recovery marks a turnround from the declining industrial investment of the last decade, which was temporarily brought to a halt in 1980, the last full year of President Valery Giscard d'Estaing's government.

Crédit National's forecasts, based on a representative sample of 150 French companies, are somewhat different from those of Insee, the state statistical office, which sees the level of industrial investment tailing off this year after a sharp boost in 1984. According to Insee's surveys of business opinion industrial investment will grow 5 per cent in real terms this year after a 9 per cent increase in 1984.

Nonetheless the underlying upward trend in the two years is much the same and is confirmed by studies by the French employers' federation. All three surveys exclude the housing and construction sector and investment by the monopoly state-owned industries such as the rail network and the electricity generating group EDF (Electricité de France). Housing investment fell 5 per cent in real terms last year and investment by the state utilities fell 6 per cent.

The rise in investment in the industrially competitive sector of the economy reflects an improvement in corporate profitability.

According to Crédit National company profits returned last year to a level comparable to that before the first oil shock in 1973–74, although overall company balance sheets are still nothing like as strong as they were then.

Crédit National sees wide differences in the investment patterns of different sectors of French industry. It believes the recovery is strongest in the food, paper, chemicals, textile and steel industries, while investment in shipyards and energy sectors has continued to decline. In the car and footwear industries the level of investment has flattened out.

About 70 per cent of the fresh investment has gone into improving productivity. In the last two years French industry has made strong gains in productivity as its workforce has diminished. It has also been able to rebuild its profit margins largely because of the government-instigated squeeze on pay increases, which means that salaries in real terms have not risen in the two years.

Crédit National was involved last year in investment by industry worth about FFr 100bn ($10bn), the equivalent of about two-thirds of French industrial investment.

It distributed to itself FFr 31.7bn in subsidised loans or in loans at market-related terms – a volume of activity only exceeded in the last 15 years in 1975 and 1970.

The institution makes available long-term funds at an average rate of about 11 to 12 per cent – a blend that includes state subsidised loans and funds available at market-related terms of about 14 per cent.

Dresdner makes DM 465m rights issue and lifts dividend

BY JOHN DAVIES IN FRANKFURT

DRESDNER BANK, West Germany's second largest bank, is raising DM 465m ($142m) in cash through a one-for-seven rights issue and increasing its dividend from DM 6 to DM 7.50 a share.

The dividend increase comes after a steady improvement in Dresdner's performance in the last few years. The dividend was cut to DM 4 a share on the results of 1981 and 1982, but was increased on 1983 results as the momentum in West German bank earnings continued.

The capital increase is the first to be made by Dresdner since 1981. The new shares are being offered at a price of DM 155, compared with a closing stock market price yesterday of DM 191.50.

Dresdner is strengthening its capital position with an eye to the new West German banking laws which recently came into force. West Germany requires that bank lending cannot exceed 18 times a bank's capital and reserves, and the new laws apply this to total bank operations, including subsidiaries at home and abroad.

West German banks have six years within which to bring their capital or lending into line with the official requirements.

Dresdner's latest moves follow swiftly after the changes in the bank's top management. Dr Hans Friderichs, who faces corruption charges in the so-called Flick affair, submitted his resignation as chief executive last week.

The other two big commercial banks, Deutsche and Commerzbank, have not yet announced their dividends for last year. Deutsche increased its dividend on 1983 results to DM 12 per share, while Commerzbank, which omitted a dividend for three years in succession, resumed payouts with a DM 6 dividend on its 1983 earnings.

S. Korean opposition gets big boost from election

By Steven B. Butler in Seoul

A MAJOR new opposition force emerged in South Korea yesterday posing a potentially serious challenge to President Chun Doo Hwan's military-backed government.

President Chun's ruling party retained control of the national assembly after Tuesday's poll, but the New Korea Democratic Party, fighting its first election, won 30 per cent of the vote and emerged as the second strongest force in the legislature.

Although the assembly has no real powers, the new party's showing, which surprised even its own supporters, is being widely interpreted as a rebuke for President Chun's political programme. It is bound to reinforce calls for democratic reform and free presidential elections in 1988.

The ruling Democratic Justice Party maintained its majority of seats in the assembly, but it received just 35 per cent of the popular vote, and lost three assembly seats compared with the 1981 elections.

The election took place just four days after the return of Mr Kim Dae-Jung, Korea's leading dissident, from two years of exile in the U.S. His return is widely credited with sparking interest in the election and generating more support for the opposition, although Mr Kim has been under virtual house arrest and has been unable to campaign.

The poll produced the highest voter participation in 25 years, with 84.2 per cent of the electorate turning out.

The NKPD made a clean sweep in Korea's three largest cities – Seoul, Pusan and Inchon – winning one seat out of a possible two in each of the urban districts. It captured 43 per cent of the popular vote in Seoul, compared with 27 per cent for the government party. Nationwide it won nearly 30 per cent of the vote, and captured seats in 50 out of 92 local constituencies. Each of these constituencies has two seats.

Under South Korea's complicated electoral system, some seats are contested outright for the 276-constituency assembly. A block is automatically awarded to the party with the biggest popular vote, and the rest are allotted based on proportional representation.

The ruling DJP won in 87 constituencies, and with the bonus of seats awarded on a proportional basis will control a total of 147 seats in

Continued on Page 24

Background, Page 3; Editorial comment, Page 22

Reagan says U.S. not to blame for $

BY STEWART FLEMING IN WASHINGTON AND MAX WILKINSON IN LONDON

PRESIDENT Ronald Reagan hinted yesterday that his administration was concerned about the strength of the dollar but gave no sign of any initiatives to try to curb its rise.

Mr Reagan, asked if there was anything the government should do about the dollar's strength, said: "The main problem is not the strength of the dollar; it's the weakness of foreign currencies."

The dollar was strong, he added, "because our recovery has progressed beyond theirs. We hope, with co-operation, to help their recovery to where their currency comes up in relation to ours." Mr Reagan was answering reporters' questions on the White House lawn before departing to California for a brief holiday.

The dollar rose again yesterday against other currencies, in spite of some nervousness about the possibilities of central bank intervention to reverse its upward trend. This followed rumours that the Bank of Japan had been selling large amounts of dollars.

Concern has been increasing in Washington about the dollar's strength and its impact on the U.S. economy, the trade deficit and growing sectors of industry. This has been one factor influencing the Federal Reserve Board's monetary policy. The Reagan Administration last month modified slightly its earlier intransigent opposition to intervention in the foreign exchange markets to curb the dollar's rise.

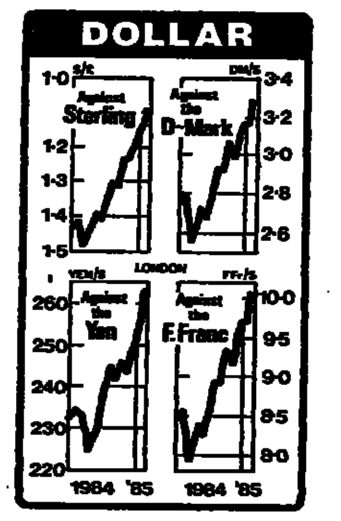
The U.S., however, is still perceived to be reluctant to join wholeheartedly in any vigorous co-ordinated intervention. Mr Reagan's emphasis yesterday on the weakness of foreign economies, rather than any inadequacies of U.S. economic policy, as the reason for the dollar's strength, does not point towards any early change in U.S. policy.

At the close of business in London yesterday, the dollar's index against a trade weighted basket of currencies had risen to a new record of 151.5, up 0.4 of a point from Tuesday's level.

The dollar rose to another 13-year peak of DM 3.299 with a new record against the French franc of FFr 10.085. After the London close, the dollar went above DM 3.30 in early trading in New York.

Sterling, however, resisted the pressure, remaining unchanged against the dollar in London at $1.088, although *it fell* to $1.086 in early New York trading.

The sterling index against a trade-weighted basket of currencies was little changed, closing at 70.9 in London. The continued strength of the *dollar* underscored, however, the pessimism in London's financial markets about the chance of an early reduction of banks' base lending rates below the current level of 14 per cent.



The three-month sterling interbank rate, a key indicator for base rates, rose by ⅟₁₆ of a point to 14⁷⁄₁₆ per cent. This does not appear to indicate any strong pressure in the market for a further rise in base rates, but it does show continued nervousness about the strength of sterling while the dollar continues its apparently unstoppable rise.

Widespread anxiety in Europe about the effects of the dollar's rise was reflected yesterday by the decision of the West German Capital Markets sub-committee not to allow any more D-Mark foreign bonds to be issued for the next three weeks.

The rise of the dollar has deterred investors from buying D-Mark bonds, and it is hoped that a pause in new issues will allow the market to regain some of its balance.

Reuter reports from London: Traders in New York said rumours that the Fed has intervened in Asian markets were quickly discounted. A spokesman for the U.S. Treasury, which decides whether the Fed should intervene, declined to comment on the market talk.

Earlier in Tokyo, Bank of Japan governor Mr Satoshi Sumitomo said that the central bank would intervene actively to defend the yen

In Asian trading the Japanese central bank was reported to have sold as much as $200m in an effort to hold down the dollar.

U.S. urged to lift competitivity, Page 4; Lex, Page 24; Money markets, Page 43

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MEPs fear budget curbs may lift spending

BY QUENTIN PEEL IN STRASBOURG

EFFORTS BY Britain and fellow EEC member states to control the increase in their Community budgets could have the opposite effect, members of the European Parliament warned yesterday.

The system of budgetary discipline approved at the meeting of EEC heads of government in December, and intended in particular to hold down the rise in farm spending, could actually allow it to increase by some *Ecu 600m (£360m) next year,* they said.

The problem was spelt out by Mr David Curry, the British Conservative budget spokesman *in* Strasbourg, and Mr Piet Dankert, the Dutch Socialist and immediate past president of the Parliament.

The budget discipline guideline—that farm spending should rise by less than the increase in the Community's revenues from member *states—would* actually allow spending of some Ecu 20.6bn (£12.36bn) in 1986, compared with a forecast of no *more than Ecu 20bn made by* the European Commission, Mr Dankert said.

EEC farm ministers, said Mr Curry, would inevitably try to push spending *up to the maximum* available, which was actually considerably more than recommended by the Commission.

"We are going to shoot ourselves in the foot with this budgetary discipline," he said. "There is a lot to be said for quietly forgetting budgetary discipline and letting the market do it for you.

"As soon as you fix a maximum, *it becomes a minimum.* It will be a matter of genetic pride for the farm minister to get spending up to the limit."

The latest farm price proposals *made by the Commission* imply a slight drop in farm spending in 1986 compared with 1985. This year, some Ecu 20.1bn is needed, Mr Henning Christophersen, the budget commissioner, told the parliament.

The 1985 figure means that some Ecu 2.156bn has to be found above the finances available from current EEC revenues. The gap includes over-spending last year (in spite of a supplementary budget) of Ecu 202m, Ecu 1.315bn arbitrarily cut by budget ministers last year, and a further Ecu 639m as the estimated cost of the farm price package and changes in market conditions.

The Commission's hope of actually reducing spending next year is based on the assumption that exchange rates and market conditions will not change radically. However, a decline in the value of the dollar by only 1 per cent would add an extra Ecu 100m to the cost of export subsidies payable by the Commission.

Ivo Dawnay reports on the dissension straining a powerful EEC pressure group

Farm lobby falls foul of its own success

EUROPE'S farm lobby is caught in a seemingly insoluble dilemma. An insatiable dinosaur that has successfully stalked the Brussels' bureaucrats for more than two decales, it can now sniff an ice-age in the air.

Yet, as agricultural surpluses, and the appetite for more financial support grow remorselessly, it seems incapable of accepting that there is no more to be had.

The farmers are victims of their own success in resisting the efforts of those advocating Common Agricultural Policy (CAP) reform. When that reform began haltingly last year in the shape of the "super-levy" on excess milk production, the lobby was momentarily powerless.

Evidence that the message was at last hitting home came last month. Copa, the farm unions' umberlla organisation, proposed for the first time ever a price rise (of 5 per cent) less *than the 7.8 per cent dictated* by its usually sacrosanct "objective method." This assesses the rise necessary to account for inflation, input costs and the maintenance of farm incomes.

The decision to abandon the objective method—a gesture to the squeeze on farm spending—immediately provoked fury from the more militant farming unions. So, more predictably, did the almost neutral 0.1 per cent price package proposed by Mr Frans Andriessen, the new farm Commissioner.

As usual, this was rejected as "totally unacceptable" by Copa. But observers noted the deafening 10-day silence from the organisation's Brussels headquarters before the official condemnation was released.

Reports emanating from the building suggest that serious internal divisions have emerged. Most of all, the member unions are split over how to react to Mr Andriessen's call for a public debate on the future of the CAP until the year 2000.

While the old school continues to argue that there is *nothing wrong with the* CAP that cannot be resolved with more expenditure, some now believe that the unions have no alternative but to participate in the reform debate and thereby *lessen the damage.*

Copa has never been the prime source of farmers' power, however. Its skills have rested *in moulding farming interests* into a cohesive voice, and imparting them discreetly in Brussels' restaurants and *smoke-filled rooms.*

The real influence lies with national farm unions and their ability to use their local political muscle to twist ministerial arms.

But the split within Copa is a reflection of the fragility of the CAP as a whole. For if the farmers' consensus breaks *down into a struggle* of national interests, its *raison d'etre*—the maintenance of a common policy and a common *market—falls too.*

All the signs are that this process has begun. Given the choice between national interest *and international solidarity,* the unions tend to look after their members short-term needs first.

M Francois Guillaume, leader of France's 850,000-member FNSEA, has been a vigorous critic of Copa, describing its staff as "diplomats, not unionists." Yet an official of his union made clear this week: "*If the French farmers' voices* are not heard in Brussels, I am not sure the FNSEA will accept any reform. We will have to *renegotiate the CAP.*"

For many national unions, the domestic political climate has never been worse. Farmers *now represent less than 8 per* cent of the EEC's working population, down from more than 20 per cent after the war. The urban *population has suffered* sufficiently from recession to resent any "featherbedding," *thus strengthening* finance ministers' ability to resist the call for more handouts.

At the same time, growing specialisation among the farming sectors have divided the interest groups within unions. With the financial cake inadequate to meet demand, squabbling has broken out as to who gets what share.

In Britain, for example, the Small Farmers Association is being relaunched to champion small dairy and livestock farmers against alleged National Farmers Union bias towards the large, usually cereal, farmers.

Similarly, another divide is opening between the Community's more influential temperate north and the poorer Mediterranean south, with the growing demands of the latter increasingly resented by northerners for whom the CAP was originally established.

But if the farm lobby is embattled, it still maintains an enormous, many *would* argue grossly disproportionate, political influence.

Nowhere is this more *apparent than in West Germany,* where both the European and local government elections have demonstrated the vulner*ability of the government to* loss of support on the farm.

The sensitivity of West German politicians to farm interests *has led Herr Ignaz* Kiechle, the Agriculture Minister, to drive a bulldozer through the reforms agreed last March, *and to threaten to undermine* the modest price restraint proposed by the Commission this year.

*As Herr Josef Ertl, his pre*decessor, said yesterday: "The farmer has the influence to decide in 1987 whether we have a *coalition of the centre* or of the Social Democrats and Greens."

Such power should strike *terror in the hearts of* defenders of the EEC agricultural policy. For when irresistible farmers' demands meet finite *Community* resources, the CAP can no longer fit.

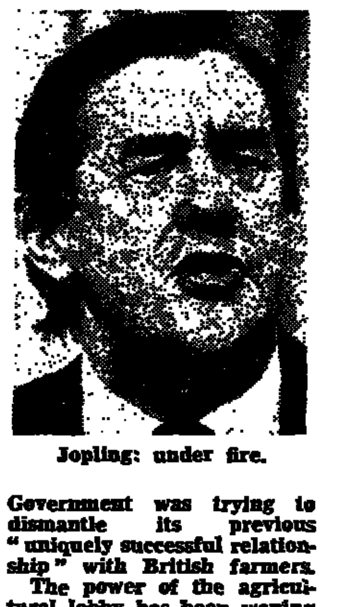
Britain's farmers harden stance

THE TRADITIONALLY cosy relationship between Britain's farmers and their Ministry of Agriculture took a distinct turn for the worse this week, following sharply-worded attacks on the Government by the National Farmers' Union, writes Andrew Gowers.

Speaking at the NFU's annual general meeting on Tuesday, its president, Sir Richard Butler, accused Mr Michael Jopling, the Minister, of being "ineffective" in EEC *farm price negotiations* and "inept" in implementing policy at home. The meeting passed a resolution charging *Mr Jopling with "gross* dereliction of duty" for failing to set a comprehensive long-range plan for the industry.

The Ministry was expecting flak from the farmers over, for example, EEC milk production quotas. But officials appear to have been taken by surprise by the virulence of the onslaught.

The NFU president, himself a large cereal farmer, has generally preferred to confine himself to discreet lobbying. He offered one explanation for the newly aggressive tone himself, by hinting that he suspected the Government was trying to dismantle its previous "uniquely successful relationship" with British farmers.



Jopling: under fire.

The power of the agricultural lobby has been waning of late. The Common Agricultural Policy, never popular with British voters, used as they are to cheap food, has been hitting the headlines as never before.

In addition, Mrs Margaret Thatcher, the Prime Minister, has been subjected to a growing torrent of polemics from kindred right-wing spirits criticising the EEC's profligate farm subsidies.

Farmers are aware, too, that their strength in Parliament has become diluted. Only 12 Commons seats are now reckoned to hinge significantly on a farming vote.

But another reason for Sir Richard's tough stance resides in internal NFU politics, which have been increasingly tense in recent months. Sir Richard, who has been portrayed by his critics as a weak and indecisive leader, was out to impress.

Small livestock producers, who have borne the brunt of the recent cuts, complain bitterly that the NFU—dominated by large-scale arable farmers—has not pursued their interests with sufficient vigour.

Ministry officials were busy yesterday trying to dampen the impact of Sir Richard's attack. But one conceded that the union's working relationship with the Government would be bound to be affected.

Clout of German farmers, Page 10

Soviets and French hit at U.S. over Unesco withdrawal

By Paul Betts in Paris

THE Soviet Union fired a broadside against Washington yesterday at the special session of *the United National Education* Scietific and Cultural Organisation (Unesco) which is reviewing the consequences of the U.S. *withdrawal from* the agency.

The Soviet delegate yesterday accused the U.S. of seeking to continue to exert influence on theorganisation by establishing an observer mission in Paris. Mr Dimitri Ermolenko also urged the Unesco executive board to consider boycotting all U.S. goods and equipment bought for the purposes of Unesco as well as boycotting articles and research *by U.S. citizens for the* agency.

France undelined yesterday its disagreement with countries *like the U.S. and Britain, which* has now given its one-year notice of withdrawal, by announcing yesterday that it would make a special contribution of FFr 20m (£1.8m) this year to help reduce the Unesco budgetary deficit caused by the U.S. withdrawal.

The contribution reflects French concern to see Unesco survive as a major international body based in Paris.

France is also anxious to maintain good relations with French-speaking African countries. Mr Amadou *Mahtar M'Bow, Unesco's controversial* director general, comes from Senegal. Moreover, the French Socialist *government* is committed ideologically to active support of the interests of developing countries, in particular those in Africa.

However, the gesture breaks ranks with a number of other Western countries, which believe Unesco's current budgetary problems must be resolved essentially through *new* economies.

Mr William Dodd, the British delegate, acknowledged yesterday that voluntary contributions might help ease Unesco's problems, but they could not be the complete answer to the agency's financial problems. "Significant cuts in expenditure are inevitable," he argued.

Doctors strike in Spain over health reforms

BY DAVID WHITE IN MADRID

THOUSANDS of Spanish *doctors went on strike yesterday* amid acute symptoms of confusion and acrimony over planned reforms in the country's much-criticised state health system.

The 54,000 doctors working within the social security system were called on to stage a three-day protest strike against the Socialist Government's plans, which would prevent them from holding more than one state-paid post at a time.

Health authorities said, however, that in most areas less than half of the doctors in state hospitals responded to the strike call yesterday. Local medical centres were expected to be the worst hit by the protest.

Negotiations on hospital reforms have produced divisions within both the medical profession and the Ministry of Health, where there has been a succession of resignations. While all sides agree on the need for improving the health service, which runs on a combination of high cost and poor quality, no consensus has been reached on how it should be done.

Apart from plans to extend the protection offered by the state health system, changes in store include the application to doctors of the country's incompatibility law, affecting double employment.

According to the Government, this will affect 17,000 doctors over a period of 10-12 years and eventually open up 5,000 new jobs. An initial batch of 1,200 extra doctors is due to be taken on by the state health service this year.

U.S. strives to play down Star Wars differences

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

THE U.S. is making an all-out effort to prevent differences *with its European allies over* President Ronald Reagan's Strategic Defence Initiative (SDI) from weakening the American negotiating position in the forthcoming Geneva arms talks with the Soviet Union.

After presiding over a meeting of Nato's special consultative group in Brussels yesterday, Mr Richard Burt, the U.S. Assistant Secretary of State for European Affairs, said it was no secret that there were different views on many of the details and even on the concept of SDI, popularly known as the "Star Wars" project.

That was the reason why the U.S. was working so hard to consult closely with its allies ahead of the opening of the arms negotiations in Geneva on March 12. After the meeting of the alliance's consultative group yesterday, General James Abrahamson, the SDI *Director, is due to brief Nato* ambassadors today.

Mr Burt stressed that, in spite of all the differences, there was a "very strong understanding" of the need for the Western allies to present a united front in the arms talks between the U.S. and the Soviet Union. That included the question of the SDI.

Meanwhile, Moscow has formally rejected U.S. charges that it has violated the 1972 anti-ballistic missile ABM treaty, repeated by Mr Kenneth Adelman, the Director of the U.S. Arms Control and Disarmament Agency, in London yesterday.

The Soviet news agency Tass said the charges that the Soviet Union had built an illegal radar system in the central-Asian city of Krasnoyarsk and was guilty of two other violations of the ABM treaty were "groundless and unsubstantiated."

In a talk at the International Institute of Strategic Studies, Mr Adelman said that since the signing of the ABM treaty, the Soviet Union had devoted more of its defence budget to defensive than to offensive weapons.

● Nordic and Nato states *reacted cautiously yesterday to* an offer from President Konstantin Chernenko to withdraw unilaterally some Soviet nuclear missiles from the Baltic area.

Portugal impresses foreign bankers

By Diana Smith in Lisbon

PORTUGAL'S Centre Left coalition Government strained by relentless internal disputes and public criticism, has nevertheless earned *the good will* of the foreign banking community.

Successful efforts by the authorities have reduced the deficit on the current account of the balance of payments from $3.2bn in December 1982 to just under $700m in December 1984, and this has enhanced Portugal's international image.

The punitive austerity measures, blended with energetic export growth, that were necessary have meant a battering in the opinion polls, but Sr Mario Soares and his ministers have survived, albeit not without bruises.

Their efforts last week produced favourable terms for a sophisticated $500m loan led by six international banks, the largest Eurocredit the country has negotiated since 1978. The terms reflected the market's approval for a nation that has always met its international obligations but that, two years ago, had let its external accounts go awry.

In early 1983, before general elections brought a new government, the market was so shy of lending to Portugal that the Bank of Portugal was forced to draw on the country's $10bn *gold* reserves and negotiate gold-linked loans from the Bank for International Settlements (BIS) to raise emergency *funds.*

Gold-linked

Now, the last of four BIS *gold-linked* operations is being rolled over, there is no more need to touch the gold reserves, and a tough 18-month agreement with the International Monetary Fund bringing a $380m standby credit expires this month.

Cash flow has improved so much that the authorities have told the IMF they will not need to draw the final $90m standby tranche. That is just as well, for although its balance of payments, private consumption and credit ceiling targets were respected, the Government badly overshot on public sector spending. The IMF was unwilling to deliver the last tranche.

The IMF will continue to visit Portugal on a surveillance basis several times a year, which pleases the authorities because they see the visits as a message to the banking world that a close watch is being kept on the country's accounts.

Overspending in the public sector which has debts of $9bn will probably continue until the authorities put unpopular cuts into practice. But international creditors seem to be preferring to look on the positive side, at Portugal's spectacular export growth.

By November last year exports had grown 13.9 per cent in dollar terms compared with the first 11 months of 1983, *reaching $4.77bn.*

The fastest growth areas were motors, gearboxes and brake systems produced by Renault's new Portuguese unit, footwear, where export volume doubled between January and October and textiles, which enjoyed the benefits of the European recovery. Textiles picked up so energetically that Portugal now enjoys a £250m trade surplus *with the United Kingdom.*

Over-employment

The footwear industry, a new *sector just beginning* to realise its potential, was one of the few to invest heavily in last year's recessive domestic climate. *The northern town of* S Joao da Madeira, where it is centred, enjoys overemployment—an almost unheard-of *phenomenon in Portugal.*

While exports rose in 1984, imports slumped to $7.1bn in the first 11 months, nearly 7 per cent below the same period in 1983. Better tourism boosted invisible earnings and in 1984 the current account closed with a deficit that was less than a quarter of the dangerous 1982 figure.

This year the authorities will loosen the reins a little and allow economic growth of 3 per cent, compared with negative growth of 1.6 per cent in 1984. Exports and imports are *expected to grow by 8 per cent,* but there will be no uncontrolled spree.

The Finance Ministry, headed by stern technocrat *Sr Ernani Lopes,* and the Bank of Portugal, temporarily headed by Sr Vitor Constancio, who has been the chief loan negotiator, hope for a judicious balance of expanded private investment and spending and careful control of foreign *borrowing.*

The authorities need political stability to keep the mixture going and the brinkmanship of the Social Democrat Party, junior partner in Sr Soares's coalition, makes it difficult to *foresee* how long this stability will last. Nevertheless, international bankers are agreed that Portugal has achieved a small miracle externally, despite all the internal strikes against it.

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Italians to build world's largest floating crane

By Maurice Samuelson

AN ITALIAN shipyard has won a contract to build what is claimed to be the world's most powerful floating crane for use by the offshore oil industry.

Fincantieri, the State-owned shipbuilder, will build the 70,000 tonne semi-submersible vessel for Micoperi, the offshore construction group, at Monfalcone, near Trieste. It will be due for delivery in 1987.

The contact, worth $335m (£243m), is said to be the largest *ever* placed with an Italian shipyard.

The 190m long barge will carry two giant hoists capable *of raising loads of up to* 12,000 tonnes.

Micoperi, much of whose activity is off the coast of Libya, *hopes that the vessel will en*able it to compete in the North Sea against the Dutch Heerema group, which has a virtual *monopoly in lifting large off*shore loads.

The vessel will also have to compete with a similar order by the McDermott group from a Japanese yard due for completion in 1986.

The two hoists on the Micoperi vessel will be mounted side by side on the bow. The barge will be fitted with dynamic positioning and will be able to carry out construction work in *force eight gales without* anchors.

Oil industry draws Moscow ire

BY PATRICK COCKBURN IN MOSCOW

THE REPLACEMENT of the *Soviet Oil Minister, Mr Nikolai* Maltsev, several years before he was due to retire followed a drop in oil output last year and heavy criticism of the industry in the Press.

Last year production dropped 3m tonnes compared with 1983 to 613m tonnes, the first fall for many years. This is attributed to difficulties in secondary recovery of oil and a lack of infrastructure in Western Siberia, which is now the source of much of the Soviet Union's energy supplies.

The central aim of current Soviet planning is to keep up the output of traditional energy sources such as oil and coal while increasing the supplies of *gas and nuclear energy.* Investment in the energy sector now *accounts for as much as 47 per* cent of industrial investment and up to 23 per cent of all Soviet investment.

Senior Soviet planners say that the oil industry has failed to respond adequately given the capital sums invested in it, because of difficulties in the Tyumen oilfields in Western Siberia. The ease with which oil was originally extracted in the 1970s made the Oil Ministry lax in organising infrastructure, maintenance and secondary recovery.

The frankness of repeated criticism of the industry in the press suggests that the Soviet political leadership does not think that it is getting its *money's worth.*

Mr Maltsev has been replaced *by Mr Vasily Dinkov, who has* run the gas industry since 1981. This has performed much better—output rose to 587bn cubic metres last year—although the biggest gas fields at Urengoi and Yamburg, also in Tyumen province, are in extremely hostile environments.

In Yamburg, an area of continuous permafrost on the Gulf of Tazovsk in the far North, heavy construction faces extreme difficulties because of the climate. Communications are very poor and a recent article in the daily paper Socialist Industry expressed complaints that, unlike in the Alaskan oilfields, there were no gravel deposits from which to make *roads.*

Irish bankers review loans to state groups

By Brendan Keenan in Dublin

IRISH BANKERS are reviewing their loans to state companies following the closure of Irish Shipping and a suggestion by Mr Alan Dukes, the Irish Finance Minister, that state companies should be treated like other commercial entities.

Ireland's state companies have borrowings of more than I£2bn (£1.7bn) and many, such as the fertiliser manufacturer, NT, are chronic lossmakers. Not all their debt is government guaranteed but, until now, bankers have been happy to lend on so-called letters of comfort where the Government approved or authorised the loan.

Bankers became alarmed when the Government allowed the liquidation of the state-owned Irish Shipping. Only formally-guaranteed loans which amounted to about I£50m, will *be honoured by* the Irish exchequer. Other creditors, mainly Hong Kong shipping interests, will have to settle for what the liquidator can realise.

Irish bankers say their real concern stems from a speech by Mr Dukes in which he said that state companies should get loans only on projects which are commercially viable.

Some bankers also felt he was casting doubt on the value of letters of comfort as a guarantee. The first sign *of the banks' new attitude* emerged with reports that a small state chemical company was being forced to review its I£2.4m borrowings.

No-one believes that more state companies are likely to follow Irish Shipping into liquidation—this was an exceptional case in the scale of the anticipated losses. Bankers would welcome an improvement in state company performance, in theory, but as one banker said: "As a taxpayer I welcome the minister's statement. But I have to look to the bank's interest."

The problem for the banks is that, while they would be happy to judge future projects on a commercial level, they believe most of the companies are already non-commercial because of their high existing debt.

Chernenko's rule is one year old

BY OUR MOSCOW CORRESPONDENT

SPECULATION ABOUT the health of Soviet President Konstantin Chernenko, who has not been seen in public this year, continued here yesterday despite official denials that he is seriously ill.

The Communist party daily newspaper, Pravda, yesterday celebrated Mr Chernenko's first year in power by praising the ability of the party to arrange for an orderly succession. This *reference to the death of Mr* Yuri Andropov, Mr Chernenko's *succession to his job, can also* be taken as an eliptical reference to the succession to Mr Chernenko himself.

The Soviet leader failed to appear at a scheduled meeting with Mr Andreas Papandreou, the Greek Prime Minister, on Tuesday, despite his surprise attendance at a politburo meeting the previous Thursday.

A spokesman denied yesterday that any meeting had been *arranged, but this is contra*dicted by Greek diplomats.

The Press here yesterday published letters from Mr Chernenko to two groups concerned about the arms race in Argentina and Norway. Such communications carry little credibility as proof that the President is not incapacitated, however.

A small pointer to the state of the leaders health may come today at the weekly politburo meeting which he was able to attend last week.

Yugoslavs seek IMF deal on higher growth

BY ALEKSANDAR LEBL IN BELGRADE AND DAVID BUCHAN IN LONDON

WESTERN CAPITAL goods exporters stand to benefit from the higher growth strategy *which Yugoslavia hopes to nego*tiate with the International Monetary Fund in talks that opened here yesterday.

On the eve of discussions about a new IMF standby credit arrangement to replace the existing one expiring on March 31, Dr Milenko Bojanic, the Trade Minister, announced plans to increase equipment imports by 60 per cent, from some $800m last year to $1.25bn *in 1985. The aim is to try to* make up lost ground, due partly to previous IMF austerity programmes, in the modernisation of Yugoslav industry.

After four years of severe IMF-sponsored restraint on *credit, investment and real* wages in 1981-84, the Belgrade authorities want the IMF to accept more relaxed targets in a 1985 standby accord to allow a higher rate of economic activity, in the hope that this will assuage political discontent with austerity.

Yugoslavia's Western government and bank creditors have, for their part, insisted on a further IMF standby arrange*ment as their condition for re*scheduling debt repayments.

Dr Bojanic stressed that priority in the 6 per cent planned expansion in total imports this year would go to production materials and equip*ment needed for exports.* He said the government hoped for a 12 per cent boost in total exports this year, with more shipments to the Third World (a disappointing market recently) and to Comecon (to fulfil barter arrangements).

The Trade Minister complained that the inadequacies of the local foreign exchange system worked against Yugoslav traders' interests. Total exports *last year rose by 5.8 per cent to* $10.25bn, with volume up by 11.4 per cent but export prices down by 5 per cent.

Dr Bojanic said Yugoslav companies were ready to settle for low prices, because export*ing was the only way they* could get foreign exchange.

Import prices, by contrast, rose slightly partly because Yugoslav companies rarely had the right amount of foreign exchange at the right time, or had to buy small quantities through middlemen. Imports totalled $11.9bn last year, 1.1 per cent higher by value but 1.7 per cent lower in volume than in 1983.

The country's existing foreign exchange law has been challenged in the courts and is to be redrafted this year by the Government.

Swiss tax proposal

BY JOHN WICKS IN ZURICH

SEVERAL TAX reductions have been proposed in a memorandum presented by the Swiss bankers' association to the country's Finance Ministry. A working party has been set up in the ministry to study the recommendations which concern taxes on banking transactions.

Mr Jean-Paul Chapuis, association director, said in Zurich yesterday that some of the taxes currently in force brought the Government only a modest fiscal income. These could, he added, be at least partly compensated for by a growth of business following their removal or reduction.

The Association supports the removal of the existing 0.1–0.2 per cent stamp duty on short-term securities of up to three months and the introduction of a pro-rata solution for three to 12-month maturities.

The national bank has already expressed its belief that an alteration should be made in the short-term sector in order to help build up a Swiss money market.

At the same time, the bankers propose a change in the current stamp duty on transactions via Swiss securities brokers where both buyer and seller are foreign. This is now set at 0.15–0.3 per cent, or one-half more than for purely domestic transactions. The association says the rate should at least be reduced to the domestic level and eventually removed completely.

It is also proposed to extend the current one-day limit on stamp duty-free securities holdings by Swiss traders.

Dresden bombing remembered

DRESDEN – East German leader Erich Honecker said yesterday that the tragedy of the destruction of the historic city of Dresden in a night air raid 40 years ago should warn the world of the dangers of a third world war.

He was addressing some 150,000 people in front of Dresden's newly restored Semper Opera House on the anniversary of the attack by British and U.S. bombers. At least 35,000 died in the raid and Western historians put the figure as high as 120,000.

"Forty years ago everything of German and world cultural value concentrated here in such an impressive and unique way was reduced to rubble and ashes in a matter of hours," he said.

Western diplomats described Herr Honecker's speech as very restrained and cautious and noted that it contained no direct criticism.

Reuter

Sidon calm after South Lebanon Army pulls out

BY RICHARD JOHNS IN BEIRUT

SIDON WAS calm yesterday under control of the Lebanese Internal Security Forces who moved in to police the port city on Tuesday night as the South Lebanon Army (SLA), Israel's surrogate militia, pulled out. There were, however, initial moments of tension.

Departure of the SLA was greeted with jubilation by the people of the port city who took to the streets to celebrate the end of more than two and half years of occupation.

Yesterday, the Lebanese Army despatched more troops—an armoured brigade and an infantry battalion to reinforce units awaiting to assert order in the area around Sidon (about 350 square kilometres), when the final Israeli withdrawal from the zone which is scheduled for completion by next Monday, is completed.

Altogether, it is estimated that the Lebanese Army now has 4,000 troops mustered to fill the potentially explosive vacuum which will be left. These troops include the poorly-armed garrison of rather more than 1,000 already in the city.

"The withdrawal is going to take place and security will be ensured for all Lebanese in the area," Mr Rashid Karami, the Prime Minister, said yesterday.

Mr Karami's announcement came after a Cabinet meeting devoted mainly to problems in the south of the country. Reports from the area were "reassuring," Mr Karami stated.

Some uncertainty was caused by the absence from the session of both Mr Nabih Berri, the leader of the Shi'ite Amal movement, and also Mr Walid Jumblatt, the Druze chieftain.

Eventual jostling for power between Druze and Shi'ites in the evacuated area is one of the worst possibilities following Israeli withdrawal.

President Hafez Al-Assad of Syria, however, gave assurances of his Government's backing for the Lebanese Army's efforts to take control of the Sidon area in discussions on Tuesday with Lebanon's President Amin Gemayel and Mr Karami.

Baghdad offers amnesty

BY RICHARD JOHNS

IRAQ'S RULING Revolutionary Command Council, yesterday announced the offer of an amnesty to political outlaws at home and abroad.

The move is believed to have been prompted by the breakdown last month in negotiations with the Kurdish Patriotic Union (KPU) on a form of autonomy in the mountainous north of the country.

One of the demands of the KPU, led by Jalal Talabani, was for such an amnesty.

The Baghdad announcement made clear by implication that the amnesty extended even to the faction most resolutely opposed to President Saddam Hussein's régime, the Al-Dawa Al-Islmiya, or "Islamic Call."

To take advantage of the amnesty, Iraqis within Iraq have 30 days to apply, and those abroad must report to embassies within 60 days.

AP adds from Vienna: Iraqi warplanes have attacked an Iranian nuclear power plant site with rockets, killing one man and injuring several others, an Iranian Embassy spokesman said here yesterday.

The plant at Bushehr was still under construction. There was no danger of a nuclear explosion at the site.

South African Minister sued by black miners

By Jim Jones in Johannesburg

SOUTH AFRICA'S Minister of Law and Order, Mr Louis Le Grange, has been sued for about Rand 2m (£1.6m) by 164 black miners who allege they were assaulted and beaten by police during the country's first legal black miners' strike last September.

The strike on mines in the Orange Free State managed by Anglo-American Corp, South Africa's largest mining house, was called after completion of the legal processes which have to precede strike action.

● Three black youths were wounded yesterday in renewed outbreaks of violence in black townships in the Eastern Cape, East Rand and Orange Free State.

The three were wounded when rioters were dispersed in the town of Seeisoville in Orange Free State.

Japan's 'Man with 21 Faces' strikes again

By Jurek Martin in Tokyo

JAPANESE POLICE confirmed yesterday that sweets laced with lethal quantities of cyanide had been found in shops in Tokyo and Nagoya—on the eve of St Valentine's Day.

A Japanese newspaper reported receiving a note signed by "the Man with 21 Faces" accusing confectionery companies of "greedy" business practices, and threatening to blanket the country with poisoned sweets.

This time, the products of two companies, Meiji and Lotte, were doctored for the first time, along with those of other companies.

Previously Japan's most notorious extortion gang had tampered with sweets made by Ezaki Glico, Morinaga, Marudai, House Food and Fujiya.

Kim's return pays off for Seoul opposition

By Steven B. Butler in Seoul

SOUTH KOREA'S National Assembly will become a far more lively place in the coming years.

For the first time since Mr Chun Doo-Hwan, the South Korean President, took power following a military coup in 1980, the whole spectrum of South Korean political opinion will be represented in the Assembly.

That results from Tuesday's National Assembly elections, in which the recently-formed New Korea Democratic Party (NKDP) emerged as the largest opposition block.

Unlike other parties represented in the Assembly, the NKDP fundamentally rejects the legitimacy of the current constitution and claims President Chun is a military dictator.

Many of the party members were banned from all political activity in 1980 shortly after President Chun took power. He had hoped that by banning the politicians, a new centre of political gravity would form, making the old politicians increasingly irrelevant.

The constitution granted a large bonus of Assembly seats to the political party receiving the largest vote count — a measure designed to guarantee the Government party a majority. The president said the measure promoted stability.

The constitution called for a single seven-year term of office and a system of indirect elections for the president.

The Government has more or less admitted that these constitutional measures prevented a full expression of democracy, but it argued that given South Korea's security problem with North Korea, the nation needed stability.

The Government also strongly argues against any tampering with the constitution. "More important than any other point is whether we experience the first peaceful transfer of power in modern Korean history," says Mr Choi Cheng-Yoon, a presidential political aide.

The electoral success of the NKDP illustrates clearly that President Chun has failed to persuade the South Korean people of his political programme.

It also illustrates that Mr Kim Dae-Jung, Korea's leading dissident, who returned to Korea last Friday, is far from passé.

Mr Kim timed his return to South Korea rather skilfully. The NKDP would probably have put in a strong showing without him. Had he not been here, one diplomat said, he would have become completely irrelevant to Korean politics.

His arrival just after the campaign rallies ended kept the opposition cause in the public mind right up until the election.

His name has figured prominently in rallies throughout the campaign and he is widely perceived to have contributed to the opposition cause.

The National Assembly will continue to be more or less a rubber stamp institution in the next four years.

The Assembly will finally become the arena where genuine political debate can take place.

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Khmer Rouge pounded as China tries diversion

ABOUT 18,000 Vietnamese troops backed by tanks and armoured personnel carriers advanced amid heavy fighting towards Kampuchean guerrilla bases near the Thai border, Thai military officials said yesterday, our Foreign Staff writes.

They said the northward advance against Khmer Rouge guerrillas, the dominant force in the UN-recognised Coalition Government of Democratic Kampuchea, began on Tuesday night and was preceded by an intense artillery barrage which forced about 40,000 Kampuchean civilians to flee into Thailand.

The officials said the Vietnamese are trying to flush an estimated 10,000 Khmer Rouge guerrillas from the mountainous 155 square mile area around the guerrillas' Hill 329 headquarters.

At the same time, China claimed to have launched counter attacks against Vietnam in what appears to be the most serious outbreak of fighting along the Sino-Vietnamese border since early last year.

The latest flare-up is seen as an attempt by China to keep up pressure on Vietnam while it is on the attack in Kampuchea and to maintain the credibility of China's threat to take action if the resistance is overwhelmed.

China said its forces retaliated yesterday against Vietnamese assaults on two fronts along the border.

"Battles are still going on," the official Chinese news agency, Xinhua, said.

An official at the Vietnamese embassy in Peking said the toughest clashes had occurred along a section of the border between Yunnan and Vietnam's Ha Tuyan province where a force of about 1,000 Chinese troops had intruded 1 km into Vietnamese territory.

Sihanouk faces his toughest challenge

BY CHRIS SHERWELL IN BANGKOK

Prince Norodom Sihanouk... "not a moment too soon"

TO HEAR Prince Norodom Sihanouk talk, this week's public appeal by the six Asean countries for outside military aid to help Kampuchean resistance forces has not only been welcome—it has also come not a moment too soon.

The prince's fragile coalition of three groups is facing its toughest challenge yet from an estimated 170,000 Vietnamese troops bolstering the Heng Samrin regime in Phnom Penh.

The Vietnamese, in the fiercest dry season offensive since they invaded Kampuchea six years ago, have wiped out most of the camp near the Thai border belonging to one group, the Khmer People's National Liberation Front, led by the nationalist Sonn Sann.

They are now trying to subdue another, the more powerful Khmer Rouge, in the Phnom Malai mountains south of the border town of Aranyaprathet. The Khmer Rouge, ousted from power by the Vietnamese in 1979 after three-and-a-half years of bloody rule, remain staunchly backed by Peking.

For 62-year-old Prince Sihanouk, the former Kampuchean head of state who heads the third—and smallest—of the coalition's component groups, it is yet another difficult moment in a personal political drama which stretches back more than four decades. Now as much as ever, he is a symbol of Kampuchean unity and integrity, and his survival seems to represent the hope of the Khmer people.

"China must intervene," he said in an interview just before the Asean Foreign Ministers meeting. "The sooner its second lesson for Vietnam comes, the better. That is what Khieu Samphan (of the Khmer Rouge) and Sonn Sann say too. They want me to go to Peking and to ask China to intervene to relieve our burden."

China fought a 17-day war against Vietnam in 1979 when the Khmer Rouge were almost vanquished in Kampuchea and has warned that it is ready to teach Vietnam a "second lesson."

The appeal from the non-communist Association of South East Asian Nations (Asean), which groups Thailand, Malaysia, Singapore, Indonesia, the Philippines and Brunei, has underscored the delicate position of the resistance coalition. Never before has Asean gone collectively public on the sensitive question of outside military aid, preferring to marshal what it can from where it can, including its own members' resources.

Of the six, Thailand, Singapore and Malaysia are generally agreed to have done the most materially to help the coalition. Equally, though, Singapore has been happy to continue doing business with Vietnam, and its 1984 figures actually show a rise in bilateral trade.

One significant feature of the Asean appeal is that it means Indonesia is now "on board" with its partners' harder line. Indeed, it is now clear that Hanoi missed a significant diplomatic opportunity last year in failing to respond positively to Jakarta's conciliation efforts, and Asean as a whole hopes Hanoi now reads the new signals clearly.

The six's appeal nevertheless puts their friends abroad on the spot. The U.S. has previously refused to give direct military assistance to the coalition, much to the disappointment of the Thais and Singaporeans, who see large quantities of aid going to the Afghan rebels. So far Washington has come in with "humanitarian assistance," on an unknown scale.

Asean hopes European countries and Japan will now offer at least non-lethal military aid, especially as the six are not asking for any flag-waving, as one Minister privately put it. "We are only concerned with the final result," he said. "It is vital to keep up the military pressure on the ground if there is to be a political solution."

The setbacks of this year's fighting, Asean also hopes, will meanwhile be turned to advantage. The KPNLF has been forced to give up its misguided strategy of defending fixed positions and is now expected to launch an offensive guerrilla war against the Vietnamese once the logistics are in place.

This is a strategy already being pursued by the Khmer Rouge, to great effect according to local reports. These suggest the Khmer Rouge are cutting stretched Vietnamese supply lines created by Hanoi's attempts to establish a more permanent forward military presence near the Thai border.

For many potential foreign donors, however, the Khmer Rouge's mere presence in the resistance coalition is reason enough not to help. Many people recall the holocaust of Pol Pot's rule between 1975 and 1978 in which hundreds of thousands died as the Khmer Rouge imposed its "instant communism" on the Khmers.

The Kmer Rouge is a millstone round our necks," acknowledges one Asean Foreign Minister. "We want to see any Western aid go to the two non-communist groups, because the Khmer Rouge is adequately supplied by China." In fact, he added, Peking's unequivocal support for the powerful Khmer Rouge was the simple reason the group could not be excluded from the coalition, as Vietnam has demanded.

Prince Sihanouk, who is close both to China and Asean, is even more emphatic. "The Khmer Rouge is not only supported it is liked by China," he says. "Even Asean has to accept the Khmer Rouge. They may not hold it in esteem, but it has the force to be a barrier between Vietnam and Thailand. The U.S. and others also see this."

The Prince acknowledges that this is an unlikely coalition. Sihanoukists are at loggerheads with the KPNLF. Both are at odds with the Khmer Rouge. "Cordially we hate each other," he says disarmingly. "But we hate the Vietnamese much more. So expect the coalition and the fighting to continue." That, in any case, was what China and Asean wanted too.

U.S. urged to lift competitiveness

BY STEWART FLEMING IN WASHINGTON

A CALL for the U.S. Government to adopt a wide range of specific policies aimed at promoting the international competitiveness of U.S. industry was issued yesterday by President Ronald Reagan's Commission on Industrial Competitiveness.

However, even as the report was being released, doubts were being raised about the likelihood that many of the Commission's recommendations would be implemented. The report was being seen primarily as a further sign of mounting unease in U.S. industry about what is seen by many business executives as a deteriorating long term competitive position.

Releasing the White House sponsored report at the Commerce Department yesterday, Mr Malcolm Baldridge, Commerce Department Secretary, said the document "will not be another report which gathers dust on the shelf."

He said several of its recommendations had already been debated by the Cabinet council on Commerce and Trade. But he did not give details of any major recommenations which had been approved by President Reagan.

Many of the broad issues discussed in the report wil be familiar to those who have followed the long running industrial policy debate in the U.S.

Prepared by a commission headed by Mr John Young, chief executive of computer-maker Hewlett Packard and with a membership which included several top business leaders, the report identifies capital costs and the strength of the dollar on the foreign exchanges as "major" disadvantages for U.S. competitiveness.

It firmly rejects, however, the arguments of many free market economists who maintain that the strength of the dollar is the reason U.S. companies are having trouble competing, and say that a relative decline in the competitiveness of manufacturing industry is not of great long-term importance because the U.S. is becoming a service economy.

It argues, for example, that a strong industrial base is "vital to our national security" and the breadth and diversity of the U.S. economy is one of its strengths.

Commenting on the report yesterday, Mr Young said: "It is the Commission's conclusion that this nation's ability to compete has declined over the past two decades."

He cited increasing trade deficits since the 1970s, loss of world market shares in seven out of high technology sectors, slow productivity growth and a stagnation of real hourly wages in the business sector over the past 10 years as evidence

The report presents a long list of policy recommendations some of which Mr Young conceded would run into opposition int he country and in Congress other recommendations, however, seem to be in tune with emerging political pressures.

Thus the commission calls for a more highly co-ordinated and more vigorous trade policy, a strengthening of laws governing unfair trade practices by foreign governments and more effective trade promotion efforts by government departments such as the State and Defence Departments.

It backs the creation of a Cabinet level Ministry of trade to try and create a more coherent national trade policy.

It also recommends a relaxation of tough anti-trust laws to "reflect the reality of global competition" and to allow anti-trust exemptions "for mergers that promote national objectives."

The report calls for efforts to reduce federal budget deficits and for a reform of the tax system so that it is more neutral in its impact between different industries.

The report puts heavy emphasis, too, on the need to make more effective use commer cially of U.S. research and development expenditures both in the government and the private sector. It urges the creation of a Cabinet level Department of Science and Technology.

The need to improve the quality and training of the work force and management/labour relations, is also emphasised.

U.S. RETAIL sales rose 0.7 per cent in January, the Commerce Department reported yesterday, *Stewart Fleming* reports from Washington. However, the strength of the increase was magnified by a downward revision in the sales figures for December. Overall it appears that retail sales last month were running at about the same high level as November

A breakdown of the seasonally adjusted January figures shows that all the sales gains came in the durable goods sectors, particularly cars, while department store sales declined. Retail sales last month were running some 3.8 per cent ahead of those in January 1984; so, after allowing for inflation, sales have been flat.

Most economists are expecting a revival of consumer spending to boost the economy in the first quarter and the strength of durable goods sales will tend to reinforce this judgment. Consumer confidence surveys also suggest that spending will be rising.

However, yesterday's figures will leave unanswered the question mark hanging over just how much forward momentum the econ ny is developing

Chile may liberalise economy

By Mary Helen Spooner in Santiago

GENERAL Augusto Pinochet's latest Cabinet reshuffle has raised speculation in Chilean business and financial circles that the regime might be edging back to the more orthodox *laissez-faire economic policies* it pursued in the late 1970s.

Sr Hernan Buchi, who replaces departmenting Finance Minister Sr Luis Escobar, had served as banking superintendent and held earlier posts in Chile's economy and planning ministries. In these posts he played an active role in implementing such measures as lower import tariffs and reforms in the country's social security system.

Sr Escobar was viewed as a political ally of Interior Minister Sr Sergio Jarpa, who has been replaced by Sr Rodriguez, a civilian attorney and businessman who has held no previous posts under the Pinochet regime.

Sr Escobar5s removal has been attributed to his sharp disagreements with Sr Modesto Collados, Economy Minister and the uncertainty of these disagreements caused over future economic measures.

However, the country's continuing economic crisis has made it difficult for any Chilean Finance Minister to stay in office for long. Sr Buchi becomes the regime's sixth Finance Minister in three years.

During the first three weeks of January, Chile's foreign reserves dropped by $55.3m (£50m) to $2bn while the country's balance of payments showed a $25.5m deficit.

Chile is in the midst of negotiating an accord with the International Monetary Fund, which has a delegation in Santiago examining the Pinochet regime's economic programme for this year.

Chilean officials had hoped to *reach a preliminary accord* with the IMF by the end of the month, and then begin rescheduling talks with commercial creditor banks concerning the $2.2bn in foreign deft falling due this year.

U.S. and USSR to meet next week to discuss Middle East

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

U.S. and Soviet officials are to meet in Vienna on Tuesday to discuss a range of Middle East problems, including the Iran-Iraq war and the Soviet invasion of Afghanistan, Administration officials said in Washington yesterday.

The low-key meeting is to consider an "across-the-board agenda" of Middle East issues, the officials said, but is "not intended to reach agreements." The main aim is "to avoid any misunderstanding," one official said.

Mr Richard Murphy, assistant secretary of state for near eastern and south Asian affairs, is to lead the U.S. delegation to the talks, which were first proposed by President Reagan in a speech to the United Nations in September. The Soviet delegation will be led by Mr Vladimir Polyakov, his counterpart in the Soviet Foreign Ministry, according to U.S. officials.

Washington says that if the Middle East talks prove successful, the two countries could go on to discuss other world trouble spots in regions such as Africa and Central America as part of Mr Reagan's overall hopes for an improvement in East-West relations.

While Moscow is likely to use *the Vienna talks to renew its* call for an international peace conference on the Middle East, Mr Murphy is expected to repeat that the U.S. believes that the next step should be direct negotiations between Israel and its Arab neighbours, in the first instance Jordan. The Administration has sought to calm Iraeli fears that it will negotiate with the Soviet Union behind Israel's back.

U.S. officials said yesterday that they were seeking more information on the agreement in Amman earlier this week between King Hussein of Jordan and Mr Yassir Arafat, Chairman of the Palestine Liberation Organisation, on a framework for new Middle East negotiations.

It was still not clear whether the King and Mr Arafat had agreed to enter direct negotiations with Israel, but it would be a "positive step" if the two men had narrowed their differences, an official said.

Other officials said that it appeared that, rather than *direct talks, King Hussein and* Mr Arafat wanted the U.S. to act as an intermediary to persuade Israel to withdraw from the West Bank.

In talks with Saudi Arabia's King Fahd in Washington this week, however, the Administration has made it clear that it is not ready to undertake a new Middle East initiative, at least until after direct Arab-Israel negotiations are agreed.

On Afghanistan, the U.S. is expected to press Moscow on a formula for a Soviet troop withdrawal in the Vienna talks, although there is no evidence that Mr Polyakov will be prepared to discuss the question. Mr Murphy is also expected to stress the desirability of both the U.S. and the Soviet Union staying out of the Iran-Iraq war.

USSR 'fails over human rights'

BY OUR U.S. EDITOR

THE U.S. State Department yesterday noted some improvements in international respect for human rights, but named a large number of countries in which abuses continue to give grounds for serious concern.

In its annual report to Congress on human rights around the world, the department had harsh words for the Soviet Union, saying that its performance "fails to meet accepted international standards."

It accused Moscow of responsibility for brutal torture in Afghanistan, and said that "serious human rights problems remain" in Poland, despite the Warsaw Government's "professed desire for national reconciliation."

The department said that, Chile, Paraguay, Guatemala, Cuba and Nicaragua were the worst offenders in Latin America. But there had been improvements in Argentina, Bolivia, Brazil and Honduras, and "death squad" killings had declined dramatically in El Salvador.

In Nicaragua, the Sandinista Government had "used intimidation and the restriction of basic human rights" to consolidate its power. But the report credited the government for seeking to reduce widespread illiteracy and improving health care.

The Department saw marginal improvements in Iran, but still found harsh evidence of torture, murder and repression. "Several significant positive steps" were detected in South Korea, but in China the Communist Party still placed "comprehensive restrictions on fundamental political and civil rights."

In South Africa, the State Department said, the black majority "suffers from pervasive discrimination in political, economic and social life." It *accused the government of* responding to unrest "with increased use of state repression, including police violence against urban protesters and widespread detentions under stringent security legislation."

At least 200 people died last *year protesting against South* African Government abuses, the report said. The Government "extends little or no co-operation" to international groups trying to investigate human rights conditions.

Sr Perez de Cuellar: personal plea.

UN asks U.S. to increase aid to Bolivia

By Hugh O'Shaughnessy

Sr Javier Pérez de Cuéllar, the UN Secretary General, has written to President Reagan appealing for emergency U.S. financial aid for Bolivia as that country moves swiftly into hyperinflation. According to UN projections this year's price rises will be around 125,000 per cent.

Earlier this month the U.S. government granted a $16m (£9.1m) credit for Bolivia under the Public Law 480 food aid provisions. This will allow Bolivia to import 65,000 tons of U.S. wheat over the *next six months.*

A further $25.5m credit for agricultural supplies and machinery is expected to be signed shortly and discussions are continuing between the U.S. and Bolivia about an additional aid package of some $60m.

Sr Pérez de Cuéllar has also sought emergency aid from the European Economic Community and from Japan for Bolivia.

At the end of last year, M Gaston Thorn, the outgoing President of the European Commission, wrote o he 10 Community governments urging them to assist the Bolivians.

Sr Pérez de Cuéllar has appointed Miss Margaret Anstee, an Assistant Secretary General, as his special representative for Bolivian matters.

The UN is arguing that since President Hernán Siles decreed a series of austerity measures on Saturday—which included a major devaluation of the peso and a quintupling of food and oil prices—he should be given support by the international community.

There are fears that Bolivia will lapse into total anarchy as a result of its problems and will be a source of instability for the five South American countries with which it has borders.

On Tuesday night the Bolivian trade union confederation, Cob, announced a programme of nationwide protest marches against the Government's austerity measures but stopped short of calling a general strike.

Cob, whose leader Sr Juan Lechin Oquendo is a bitter personal enemy of President Siles, decreed, however, that Central Bank employees stop work in a bid to stave off the austerity measures.

President Siles, who last year agreed to quit office a year early, has called general elections for June 16.

Hong Kong goods trade rises 32% in value

BY DAVID DODWELL IN HONG KONG

HONG KONG'S merchandise trade leapt by 32 per cent in value terms last year, to HK$444.8bn (£51.9bn) as trade with the U.S. and China in particular advanced strongly.

The re-emergence of Hong Kong as an entrepot was fuelled by a 130 per cent rise in re-exports to mainland China, and increases of between 40 and 50 per cent with the U.S., Japan, South Korea and Taiwan, according to figures released by Hong Kong's Census and Statistics Department.

However, such strong growth is unlikely to continue through 1985, in part because the improvement in 1984 reflects a recovery from recession in 1983, and because economic growth in the U.S.—the main locomotive force for export *growth in Hong Kong—is* expected to slow.

Increased protectionism in the U.S., coupled with damage to the local textile industry due to new U.S. certificate of origin legislation, is also likely to dent the 1985 performance.

Hong Kong's domestic exports rose by 32 per cent in value terms in 1984 to HK$137.9bn. Exports to the U.S. market, which accounts for 45 per cent of all exports, surged by 40 per cent. This was mainly due to strong demand for textiles and garments.

Imports rose by 27 per cent, to HK$225.4bn, with Japan, China, Taiwan and the U.S. accounting for most of the increase.

Because re-export trade surged by 48 per cent to HK$83.5bn Hong Kong came nearer to closing its visible trade deficit than ever before. This narrowed to HK$1.9bn—less than 1 per cent of total imports.

The re-emergence of trade between China and the outside world, due to recent economic liberalisation policies, was demonstrated vividly in the mainland's overhaul of both *West Germany and the UK* to become Hong Kong's second most important export market. Exports rose by 81 per cent on the year to HK$11.3bn.

China, already Hong Kong's leading supplier, increased sales to Hong Kong by 30 per cent to HK$55.8bn, while re-exports from Hong Kong to China leapt by 130 per cent to HK$28bn.

Textile exemption policy for Sweden 'ineffective'

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

THE POLICY which allows Sweden to continue, for strategic reasons, to produce textiles and clothes at levels not permitted by the Multi-Fibre Arrangement to other countries is both unjustified and ineffective according to a report prepared by Miss Ebba Dohlman, a former General Agreement on Trade and Tariffs executive.

Miss Dohlman now works for the Organisation for Economic Co-operation and Development (OECD) in Paris, for the Textile Importers Association of Sweden.

The MFA, which regulates 80 per cent of world trade in textiles and clothing, has granted the Nordic countries dispensation from its policy that the *low-cost producers should* be allowed to send goods to the industrialised West at an annual growth rate of 6 per cent.

Exemption from this policy, according to Miss Dohlman, has not protected Sweden from increased import penetration. Rather, it has led to trade being diverted from developing countries to European producers.

The second result of the policy has been to raise prices, at the expense of the Swedish consumer.

Miss *Dohlman* states that Sweden's official objective for quota restrictions against developing countries was to prevent the running-down of its domestic industry.

But restrictions on imports from developing countries could not prevent imports of higher-priced goods from unrestricted sources, such as the rest of Europe. This is what had happened.

"*Swedish* importers are showing a tendency to substitute Italian or Finnish goods for traditional Hong Kong imports."

Swedish producers will have to become more flexible and more attuned to demand if they are to survive the competition, she states.

British Aerospace chief presses for European fighter

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

THE MARKET for a new military fighter which would be jointly produced by European aircraft industries could be as high as 2,500 aircraft, worth some £40bn ($44bn), Sir Austin Pearce, chairman of British Aerospace said yesterday.

Sir Austin said that a decision to build a new European fighter was needed soon and would be of the utmost importance not only to British Aerospace but to British aerospace industries as a whole. Such a fighter was "achievable and practical," but he said, "not at any price."

Sir Austin skated over difficulties between Britain and France over *the nature of a future European* fighter (Efa). These are impeding progress on a feasibility study being undertaken by the industries of Britain, France, West Germany, Italy and Spain, after agreement last year on a joint European staff target for the project.

Sir Austin, who was speaking to the Royal United Services Institution in London, chided the British Government for not giving British Aerospace the sort of financial and political backing that France gave its industry. As a result, Britain started off on an unequal footing.

The current problems centre on the weight of the aircraft, with Britain maintaining that the 9.5 tonnes agreed by ministers will not allow the staff target to be met fully.

Another problem is design leadership of the project, which France wants. Sir Austin made it clear that BAe's preference was for a management structure like that under which the Anglo-German-Italian, Tornado has been produced.

Paris in bid to promote business conventions

By David Housego in Paris

PARIS is linking up with Montreal and New York to promote international business conventions.

The potential three way tie-up comes at a time when figures released by the Brussels-based Union des Associations Internationales confirm Paris's lead for the sixth year running as the most popular city in which to hold business congresses.

According to these figures, 254 business congresses were held in Paris in 1984 (marginally up on the previous year) as against 248 in London.

Paris's Palais des Congres (one of the largest Congress halls in the world with a capacity of 10,000) last year signed a technical and marketing agreement with Montreal where new exhibition and convention facilities have recently been opened. A similar accord is under discussion with New York where a new exhibition centre is due to open next year.

Though the Palais des Congres hosted only 140 of the business conventions held in the capital last year, it attracted about 80 per cent of the congress visitors.

M Jean Ravel, director of the Palais des Congres, says a major aim for the French in the link-up is to attract congress business in the "dead" summer months of July and August when costs are about 30 per cent less than during the rest of the year.

M Ravel hopes that as a result of the accord, joint bookings will be possible in which congresses shift between the three cities.

An increasing number of cities in France and the rest of the world are developing congress centres as a way of boosting local hotel, restaurant and retail activity.

M Ravel calculates that every FFr 1 spent on hiring congress space or equipment in Paris generates 10 to 15 times as much for the city's retail and hotel trade. Each congress visitor to Paris is reckoned to spend FFr 1,000-1,500 (£91) a night.

With a turnover of FFr 90m a year, M Ravel claims that the Palais is one of the few congress centres in the world to break *even on its accounts,* excluding the capital amortisation of the building.

Paris to set up institute to promote trade

By Paul Betts in Paris

THE FRENCH Government is setting up a special national educational institute to promote and develop French export performance.

The institute will be called Ecole Nationale d'Exportation and will be headed by M Patrick Neiertz, the chairman of the French shoe company Jourdan, the Socialist Cabinet announced yesterday.

The new establishment will begin operation in the autumn and will be based in the central Paris building of the French Foreign Trade Centre. The venture is part of the Socialist Government's continuing efforts to modernise French commercial structures to make French industry more export orientated and competitive. It forms part of the Government's overall policy to support more strongly the small and medium sized industrial sector.

The Government is also establishing a national foundation to teach the business of exporting. This foundation will be associated with universities, the French administration, professional bodies and French consulates overseas.

Liberalisation of the EEC's internal market faces many obstacles. **Michael Donne,** in the first of a series, analyses problems facing civil aviation

Protectionism continues to cloud open skies dream for the Community

DESPITE last year's much-publicised agreements between the UK, the Netherlands and West Germany on greater liberalisation of air travel between those countries, progress towards a wider EEC air transport policy continues to be slow.

Such initiatives as there are come primarily from individual governments or airlines, led by the UK, and there will have to be much more British battering on Continental doors before European "open skies" become a reality.

—*European Commission efforts* to achieve tighter control over air transport and fares within the community have been frustrated by the self-interest of many Governments in protecting their own national air transport interests.

The Commission, however, *cannot be accused of* not trying to make the free-trade principles of the Treaty of Rome applicable to civil air transport within the Ten.

The seriousness of the Commission's intent was underlined this week with the disclosure that it is drawing up a range of legal options that could involve legal action against European airlines for restrictive practices.

Mr Peter Sutherland, the new Competition Commissioner, is anxious to exert pressure to force airlines into freer competition.

Nearly a year ago, in March 1984, the Commission published its long-awaited blueprint for the prospective development of air transport, called "Memorandum No 2." An earlier document in 1979 enjoyed only a muted response.

The Memorandum aimed at producing a framework for future air transport expansion that would offer improved airline efficiency and profitability, a higher quality of service to the consumer, and cheaper fares.

The proposals were cautious. The EEC did not want to see, for example, deregulation on the widespread U.S. pattern. It recognised that the fragmented nature of European air transport, where different languages, many frontiers, different currencies, volatile exchange rates and large military zones prevent direct routes, generate air traffic control complexities, rules out U.S.-style deregulation.

But the EEC believed that the existing European airline pooling systems which have dominated the scene for the entire post-war period could be substantially amended, and that the rigid divisions of capacity between flag carriers on given routes could be modified to permit a modest increase in competition.

It thought that one method of achieving more competition might be to introduce a "safety net" of a guaranteed share of 25 per cent of a given market for a weak or small carrier, with the rest being available to all on a competitive basis.

The Memorandum also suggested "zones of reasonableness" in fares — that is, a range of tariffs within which individual airlines could set fares according to their commercial needs, without seeking Government approval.

The proposals met with a less than enthusiastic response. A "high-level" working party was set up to study them, and its report, still a private document, went to the Commission's full Transport Working Group late last year. The group is still studying it, and where the matter goes now is uncertain.

Within the EEC there are considerable differences of view over whether the air transport industry comes under the Treaty of Rome. The Commission believes it does. It based Memorandum 2 on that premise, and argued that the competition rules — preventing airlines from getting together to fix fares — can apply.

Many of the Community's governments and airlines, however, do not agree, and for that reason found Memorandum 2 unacceptable. Until that issue can be settled, a Community air transport policy seems unlikely to emerge.

It is against this background that the UK Government and the UK airlines have increasingly taken the initiative in recent years, believing that a direct inter-governmental and inter-airline approach is more likely to yield immediate and effective results.

British Airways led the way some years ago with its plans to eliminate first-class fares and introduce the two-class concept of Club/Business and Economy/Tourist on many short-haul European services. That scheme has brought down fares over a wide area — even though some airlines still adhere to first class, such as Lufthansa and Swissair, and enjoy considerable business.

Many others attempts have been made by individual UK airlines, notably BA and BCal, to bring down fares, but even where these have been successful, the intransigence of foreign airlines has kept them hedged with restrictions or has resulted in them being blocked entirely.

The real breakthroughs have come in the past few months, although Memorandum No 2 has been bogged down in EEC bureaucratic procedures.

Last summer the UK and Dutch Governments signed an "*open skies*" policy giving freedom of entry to new routes, and fares-fixing rights to the airlines.

This brought in the £49 return fare between London and Amsterdam but even that fare, while it has generated traffic, is still offered only on a restricted basis, and businessmen wanting to fly between the two cities still have to pay higher rates for the greater flexibility they need.

Nevertheless, the Dutch agreement did put a foot in the European door. The UK has subsequently sought to exploit this. A less liberal agreement has been reached with West Germany on a two-year experimental basis, which gives freedom to *airlines* to fly where and how often they wish.

Fares between the UK and West Germany will be determined by the country of *origin* of the airline concerned, but will still be subject to certain minimum conditions.

This falls short of freedom on the UK-Dutch pattern, but should enable more airlines to fly between the two countries, with innovative fares policies.

The CAA in London has outstanding a large number of applications from UK airlines seeking "country of origin" rights to fly to West Germany —with Dusseldorf a favourite destination—and many of these seem likely to be granted.

Beyond the Dutch and West German governmental pacts, there have been inter-airline agreements on cheaper fares, *with Belgium and Austria, for* example, and also more recently Spain. Inter-governmental discussions are taking place with Switzerland and Italy, and Scandinavia and Finland are *also likely* targets.

Peter Sutherland

The UK Department of Transport believes that even if pacts with these other countries are less liberal than those already achieved with the Netherlands and West Germany, they will at least create a climate in which airlines and their governments will be able to see that even limited liberalisation can stimulate air travel.

The "domino effect," it believes, will surely in the long run cause other governments to topple into the low-fare, liberalisation camp, even though it may still take some time.

The UK view, therefore, is that in Western Europe a steady continued pressure at both Government and airline level for new bilateral pacts is the most likely method of achieving cheaper fares. UK airlines will be encouraged to produce their fares initiatives, which the DoT will seek to promote on the Continent.

But it is recognised that progress will still be slow. If there is one major new pact this year on the Dutch and West German pattern, it will be an achievement: if there are two, it will be a dramatic step forward. Airlines and governments are watching the UK-Dutch and West German experiments closely, and may well be wooed into adopting similar experiments of their own, with the UK and other countries.

The barriers to greater competition are beginning to crumble, but they are not down yet. Even though the UK's negotiators will be winging around Europe more busily than before this year, their task will still be difficult, requiring considerable patience and diplomatic skill.

BS says 1,900 jobs at risk despite orders

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH Shipbuilders (BS) yesterday told its unions that nearly 1,900 more jobs could be lost this spring if there was insufficient work. Orders have risen sharply this year but several yards have large gaps in their workload.

Mr Graham Day, the chairman, said that state-owned BS had shown a recent improvement in order inflows and that the downward spiral in contracts had been reversed, helped by improved productivity.

He said at a meeting with the unions' joint negotiating committee that the end of the financial year in March could find the industry with an order book improved by as much as 125 per cent over the previous year.

The world industry was still depressed, however, and the next year would be tough. He did not specify what orders were in the pipeline, but the Govan yard in Scotland is expected to win a £40m ferry order for North Sea Ferries (owned by P&O and Nedlloyd of the Netherlands) and a Turkish contract for three large bulk carriers worth £80m.

One of the Turkish ships would be built at the Sunderland Shipbuilders yard in north-east England, which is also in line for more orders from Sweden, Australia and the UK.

Neither of these two yards is threatened with further job losses in coming months. BS told the unions that because of uneven workloads and dwindling orders at some other yards, 1,868 more redundancies were in prospect.

Some would be immediate and the rest dependent on whether work came in. Worst affected will be Austin and Pickersgill, the Sunderland merchant yard (694 jobs at risk, including 200 immediate redundancies), the Vosper Thornycroft warship yard in Southampton (538) and Cammell Laird, the combined warship and merchant yard on Merseyside (420).

Austin and Pickersgill has recently won a new (unspecified) foreign order worth £28m but needs more work. Vosper was left out of the two contracts for Type 22 frigates recently placed by the Ministry of Defence.

Cammell Laird gained one of the £140m frigate orders, but has just finished work on a rig for British Gas. Brooke Marine, the small warship yard in Suffolk, is faced with 81 job losses, and the Appledore merchant yard in Devon with 35 now and possibly 100 more in the spring.

The latest redundancy warning follows the announcement of some 3,000 job losses last November at Swan Hunter on the Tyne and Vosper Thornycroft. The latter hopes to win an order from Pakistan for three frigates worth £300m, one to be built in Karachi with help from the UK yard.

'Imbalance' over defence contracts

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE MINISTRY of Defence (MoD) should show itself more robust in its support of British interests when it negotiates agreements with allied countries for collaborative weapons production the House of Commons Public Accounts Committee said yesterday.

In a special report on Britain's collaborative weapons programmes the committee singled out the Tornado project, where because of an imbalance in complex work-sharing agreements Britain is faced with having to repay West Germany £250m.

MoD officials last year told the committee that the imbalance had arisen because Germany had carried out more work on the Tornado than was originally planned under the formula worked out between Britain and its Tornado partners, Germany and Italy.

The precise sum would not be known until 1989 at the earliest, the committee was told. It must be paid back in cash if additional work on the Tornado is not forthcoming.

Yesterday the committee said it was concerned that Britain was not getting its proportionate share of the Tornado work and that the imbalance had more than doubled since 1978. "We regard it as most unsatisfactory that the situation is unlikely to be rectified until the 1990s and even then possibly in cash terms," rather than in bringing extra work to the UK.

"The MoD should be more robust defending Britain's interests in future collaborative agreements."

The committee also published its findings yesterday on the element of financial flexibility which allows the MoD to carry over a limited underspend from one financial year to the next.

It notes how the underspend was substantially increased in 1983–84 when the MoD asked major defence contractors to defer payments of £143.7 m from the end of March to the beginning of April. This meant the final underspend was £255m rather than £111m.

Committee of Public Accounts, session 1984/5; International Collaborative Projects on Defence Equipment Estimating, Monitoring and Control of Procurement Expenditure, HMSO £2.82.

Policies of privatising industries 'spreading'

By Sue Cameron

BRITAIN'S privatisation policies are "spreading rapidly" to other countries all over the world, according to a report released yesterday by the Adam Smith Institute, the so-called market economics think tank.

The report, Privatisation in Theory and Practice, says the privatisation of state-owned companies is being witnessed in West Germany, Belgium and other European economies. It states that privatisation is beginning "to dominate Japanese thinking" and adds that Malaysia, Singapore and Taiwan all have large privatisation projects under way.

The report, written by Dr Madsen Pirie, claims that "even communist countries such as Vietnam and the People's Republic of China have been affected by its progress." The report identifies 22 different methods of privatising a state undertaking and claims there are a number of "structural weaknesses" in public sector operations.

It says these include higher production costs. It claims that in Britain, private industry's production costs are, on average, some 33 per cent lower than those in the public sector.

Lack of capital is said to be another fundamental weakness in state operations. The report says capital spending is "less visible" than current spending and therefore has fewer interest groups to defend it. A capital cut only postpones the maintenance or acquisition of building and equipment which means it is "easier for legislators to raid the capital accounts."

Privatisation in Theory and Practice; Adam Smith Institute; PO Box 316; London SWIP 3DJ; £7.80.

THATCHER ANGERED BY KINNOCK'S ALLEGATIONS

Suez precedent for accusing Government of telling lies

BY IVOR OWEN, PARLIAMENTARY STAFF

HOWEVER OUTRAGED Mrs Margaret Thatcher, the Prime Minister, may feel over Mr Neil Kinnock's insistence that he does not believe her explicit assurance that she took no part in the decision to prosecute the civil servant Mr Clive Ponting under the Official Secrets Act, it can hardly be said that the Labour leader has plunged into uncharted or – as his Conservative critics maintain – uncivilised territory.

When the Suez crisis was at its height in the 1950s, Mr Aneurin Bevan, the Welsh Labour politician, ended an attack on Sir Anthony Eden, the Conservative Prime Minister, by calling on the Government to "stop lying to the House of Commons."

Then, as now, the accusations being levelled at ministers from the Opposition benches were that they had misled parliament and the country. Unlike the Belgrano affair, however, the main issue did not concern the course or position of an enemy cruiser at the time when a British submarine commander was ordered to sink it. Instead, the question was whether senior British ministers had been involved in the alleged collusion between Britain, France and Israel which led to Israeli troops launching an attack on Egypt.

It was the fighting between Egyptian and Israeli troops which enabled Mr Eden to claim that the Anglo-French intervention was designed primarily to separate the combatants, rather than to execute an act of revenge aimed at toppling Egypt's President Nasser for nationalising the largely British-controlled Suez Canal.

Mr Bevan used his mastery of parliamentary procedure to increase the force of the tongue-lashings he inflicted on his opponents. As his "lying" charge was directed at the entire Government and not any individual "Right Honourable Member," he did not infringe the rigidly applied rule that one MP must not call another a liar.

Mr Eden's response was to insist that the British Government had no "foreknowledge" of Israel's attack on Egypt.

While Mr Kinnock has yet to show any of the dexterity or power Mr Bevan was able to command, he has succeeded in levelling his charge against Mrs Thatcher without rupturing parliamentary conventions – something neither the Prime Minister nor Mr John Gummer, the Conservative Party chairman, would be able to claim were they to seek to maintain the stance they have adopted outside the Chamber and question the Opposition leader's "honour."

Mr Bevan's approach in attacking the Government as a whole left him with a bigger and more vulnerable target than appears to be available to Mr Kinnock, after his decision to allow the Prime Minister to concentrate on only one strand of the doublebarrelled attack he launched.

FIVE journalists walked out of a House of Commons committee hearing last night after an MP accused the press of being liars.

The protest occurred while the trade and industry committee was hearing evidence from British Shipbuilders (BS). Mr Graham Day, chairman of BS, had denied that the group tried to keep secret the sale of loss-making Grangemouth dockyard. Mr Day said there had been publicity over Grangemouth in a number of newspapers.

Mr Bernard Conlan, a Labour MP, commented: "We don't always believe what appears in newspapers." He added of the press, "In their professional work, they tell lies all the time."

The journalists, including one from the Financial Times, then walked out.

Economic strategy attacked by Gilmour

By Peter Riddell

SIR IAN GILMOUR, a former Conservative Cabinet minister, claimed last night that there was now a near-consensus, outside the Treasury that the Government's economic policy was not working.

Sir Ian attacked the Government's preference for tax cuts rather than spending on infrastructure. He noted caustically, "even for those who have a high regard for Victorian values, it is surely an act of excessive homage to treat Victorian sewers and bridges as sacrosanct and not to be touched by the profane hand of the twentieth century."

Speaking to the Tory Reform Group at Bristol University, Sir Ian argued that the Government's policy of tax cuts would mean the reduction would be more apparent than real. Even though income tax thresholds might be raised, the incidence of value-added tax would be widened and people would have to pay more for their services.

"In any case," he said, "to go for tax cuts rather than increased public expenditure on infrastructure would be a demonstration that the Government gives the reduction of unemployment a low priority."

Sir Ian, a former Defence Secretary, said that the record level of real interest rates conflicted with the stated objective of reducing interest rates.

Science parks 'fail to meet objectives'

BY PETER MARSH

SCIENCE PARKS associated with British Universities have generally failed to achieve their objectives, Dr Ahm Jones, deputy director of the Technical Change Centre in London, said yesterday at an EEC-sponsored conference in Berlin.

Britain's stock of science parks had failed to generate significant numbers of jobs and had yet to prove that they could improve interaction between academic researchers and companies.

Further, apart from a few minor exceptions, established industrial companies had not become involved in sponsoring the science parks. Dr Jones said this was probably a result of UK industry's general "conservatism in supporting industrial entrepreneurship."

According to Dr Jones, about 12 university-based science parks in the UK had generated roughly 2,000 jobs over the past two years. He said this was insignificant compared with Britain's job losses over the same period. "Furthermore, there is little evidence to suggest that the embryonic park companies will eventually move out and establish factories employing substantial numbers of workers," he added.

Dr Jones said that many universities had rushed to set up science parks in order to acquire a more polished image as a result of the high-technology aspect of those ventures. They also hoped to gain extra kudos in sponsoring high-technology entrepreneurs from their own staff.

Science parks are growing in popularity in Western Europe. In West Germany alone some 40 parks or innovation centres associated with academic institutions have been announced in the past year.

Officials at the EEC in Brussels are considering a range of measures to facilitate links between the science parks in different countries.

For instance, the Commission is considering whether to give financial aid to "clubs" of science parks which are attempting to sponsor companies in similar technical areas such as microelectronics or biotechnology.

Delayed Nimrod air defence may cost £1bn

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITAIN's plans to modernise its air defences by the introduction of 11 new Nimrod early warning aircraft are already two years late and are not now expected to be completed until at least 1987.

The cost of the Nimrod project, which has British Aerospace and GEC Avionics as main contractors, has risen from the original 1975 estimates of £247m to more than £800m today.

Yesterday, Air Chief Marshal Sir John Rogers who, as Controller of Aircraft in the Ministry of Defence (MoD)is at present responsible for the project, told the House of Commons Defence Committee that the final costs are likely to exceed £1bn.

More precise estimates of the final cost have been given confidentially to the Defence Committee. Sir John made clear in his public evidence yesterday, however, that the costs would depend on what compromises, if any, the Royal Air Force would have to make on the aircraft's performance.

It was possible that, in the interests of keeping down costs, the 11 aircraft would not now meet the full RAF requirement – known as air staff target 400 – which was the basis of the contracts.

It has been evident for some months that the Nimrod programme was seriously delayed, but Sir John's evidence was the first comprehensive statement on the project from the MoD. Even so, the official team before the defence committee withheld comment in detail on the reasons for the delays and cost escalation.

The RAF ordered 11 Nimrods under the instructions of the Labour government in 1977, after Britain's decision not to join with its Nato allies in buying the U.S. Awacs aircraft.

Ironically, Awacs were the first choice of the RAF, but the Government was persuaded that Nimrod – which is based on the Comet airframe – could be in the air earlier than the U.S. aircraft, now fully operational with Nato forces.

Sir John Rogers said yesterday that the conversion of the airframes by British Aerospace had proceeded more or less to schedule. The chief problems were caused by the avionics and radar systems for which GEC Avionics is the main contractor.

The committee was told that it was important to realise that the development of these systems involved "pushing at the frontiers of technology." Sir John said he expected the system to perform well in the end, although he was unwilling to be drawn into comparisons of Nimrod performance with that of the Awacs, an aircraft twice the size of Nimrod, but maximised for deployment over land rather than water, as Nimrod is.

Sir John suggested without elaborating, that current difficulties centred on the complex self-test facility, the critical element in determining whether the radar's computerised system of analysis and display is working properly.

Sir John said it was expected that crews would start training on the Nimrods in 1986 and that a squadron would be formed in 1987.

Meanwhile, the MoD was trying to increase the percentage fixed price or other incentive contracts with the companies involved.

Westland wins order for nine helicopters

WESTLAND Helicopters has won an order for nine Sea King helicopters for delivery to the Royal Navy between 1986 and 1987. The value of Westland's involvement in the contract is £30m, Lynton McLain writes.

The order comes as the company, based in Yeovil, Somerset, is seeking further orders, especially in the civil helicopter sector, for the late 1980s and early 1990s. Westland has had talks with the Ministry of Defence (MoD) about its order book problems.

The latest orders for the Sea King are part of a requirement from the Royal Navy for amphibious assault helicopters. The MoD has ordered a total of 34 Sea King Mark 4 helicopters.

The Mark 4 helicopter is able to carry 30 fully armed troops.

□ UK CREDIT CARD companies showed strong growth last year. Access, the card issued by National Westminster Bank, Midland Bank, Lloyds and the Royal Bank of Scotland, attracted 740,000 new cardholders, bringing the total to 7.6m.

This put it slightly ahead of Barclaycard, its main rival issued by Barclays Bank, which added 600,000 to reach 7.4m.

Access's total turnover rose 25 per cent to just under £4bn. Barclaycard's turnover increased by a similar amount to slightly more than £4bn.

Both cards continued to suffer from losses due to fraud. Access losses amounted to £6.8m, up from £5.2m in 1983, and Barclaycard's were £8.6m compared to £7.8m.

□ THE GOVERNMENT is considering making the disease Aids a notifiable disease, the Earl of Caithness, a government health spokesman, told the House of Lords.

He was replying to calls for government action to halt the spread of the Aids (acquired immune deficiency syndrome), which mainly affects homosexuals.

"The Government is actively considering making Aids a notifiable disease at the moment, but a decision has not been taken," he said. "We are learning by the week about this very nasty disease and we have to consolidate the information we have before issuing guidelines."

If Aids became notifiable to the authorities, it would be the only sexually transmitted disease to fall under this heading.

Lord Ennals, for Labour, said doctors believed the Government's response to Aids was derisory.

"Hospitals hit by health cuts are now having to cope with 400 Aids patients, some of whom are very seriously ill."

□ MARKS & SPENCER, Britain's biggest retailer by turnover, and Tesco, one of the country's largest supermarket chains, are drawing up proposals to site their first joint shopping centre development in Cheshunt, north of London.

The companies announced last November that they had agreed to work together in developing a number of edge-of-town shopping centres – six initially. They said they would continue to compete with each other in independent units on these sites.

□ TETRA PAK, the Swedish packaging group, announced a £15m project to double output over the next three years at its UK manufacturing plant in Wrexham, North Wales. The company expects to create a further 200 jobs, bringing the plant's workforce to 450.

The plant produced 2,000m Tetra Pak cartons last year. About £22m has been invested at the site since 1979. The company produced 35,000m cartons worldwide last year.

□ THE INSTITUTE of Directors has described government spending cuts affecting the BBC External Services as "an act of the grossest folly." It says the cuts, of £1.2m on the 1985–86 budget, would threaten Britain's exports.

"The Government is trying to save candle ends rather than deal with the real problem – cutting public spending," the institute argues. "They risk damaging an effective and important service."

□ THE STATUE of Eros, the god of love, which has been missing from Piccadilly Circus, London, since August last year when it was removed for a £1m facelift, is to go on display at a new site for a year.

Mr Ken Livingstone, leader of the Greater London Council, will today – St Valentine's Day – unveil the renovated Eros at the Royal Festival Hall on the South Bank, London. Eros will be on display there until a £10m reconstruction of Piccadilly Circus is finished.

□ HERTZ, the car rental company, has arranged a series of currency option contracts to protect itself against the impact of the strong dollar on its earnings from European customers renting cars in the U.S. this summer.

The contracts, arranged through Hambros Bank, should enable Hertz to charge customers in their home currency without having to make a surcharge if currency parities undergo a considerable shift.

FIGURES INCORPORATE 'SPECIAL CORRECTION' FACTOR

Manufacturing output rises 3½%

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S manufacturing output rose 3½ per cent last year but the recovery appeared to come almost to a standstill in the last three months of the year, according to official figures released yesterday.

The estimates, from the Central Statistical Office (CSO), incorporate a new "special correction" factor intended to prevent the most recent figures from appearing too pessimistic.

An extra 1 per cent is being added to the latest month's estimate for manufacturing output to take account of upward revisions which officials expect to make when more data comes in. An extra ½ per cent is added to figures for each of the two previous months but earlier data is not adjusted.

Without this adjustment the figure for manufacturing output in the fourth quarter of 1984 would have shown a fall from the third quarter level back to a performance which was no better than that in 1980 and hardly higher than the level of output recorded in the late autumn of 1983.

After correction manufacturing output in the last three months of 1984 was estimated to be unchanged from the third quarter level and 1 per cent higher than the average for 1980.

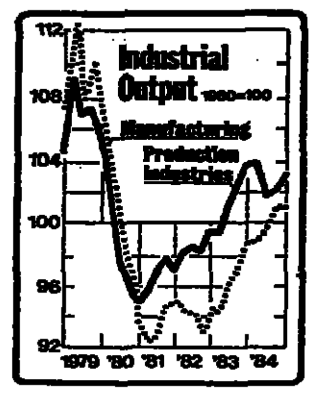
Officials say the correction procedure is justified because their analysis has shown that preliminary estimates for manufacutring output have been consistently too pessimistic. Since the summer of 1983 revisions, including some data which comes through only on a quarterly basis, have tended to add about 1 per cent to the first estimates. Before that the upward revisions were only about ½ per cent on average.

Yesterday's figures show heavy revisions to take account of new information from the Department of Trade and Industry about small new businesses which had previously eluded the statisticians' eyes.

As a result it is now estimated that total industrial output – including oil and gas – grew 2.8 per cent between 1980 and 1984, which was 1 to 1¼ percentage points faster than had been estimated previously.

But for the effect of the miners' strike the rise would have been about 5½ per cent over the period.

If the effects of the strike are excluded it is estimated that total industrial output has grown at an annual average rate of about 3 per cent since the depth of the recession in 1981. Manufacturing output grew by an annual average of 2 per cent in the period.



Manufacturing industries are still producing 6 per cent less than they were in 1979, however, while total industrial output – including oil and gas and allowing for the effect of the coal strike – is still about 1½ per cent below its level in 1979.

The coal strike is estimated to have reduced the level of industrial output by about 3½ per cent in the second half of last year and by 2½ to 3 per cent for 1984 as a whole. This was mainly because of the direct effect of the lost coal production on the figures but also partly because of the cut in production of mining machinery.

The CSO estimates that the output of consumer goods in 1984 was 2.7 per cent higher than in 1983, although this figure was depressed by lower car production. Output from the durable goods sector was 4 per cent higher than in 1983, while clothing and footwear manufacturers raised production by 2.7 per cent and the food, drink and tobacco industries produced 2 per cent more than in 1983.

Output from the investment goods sector rose by 2.8 per cent in 1984, which was much slower than the rate of increase in the company sector's total investment. Manufacturing industry's total investment in the third quarter of last year was 16½ per cent higher than in the same period 12 months earlier. However, a high proportion of investment in machinery appears to have been satisfied by imports.

Broker to deal in overseas securities

By John Moore

THE STOCKBROKER E. B. Savory Milln is planning to set up an international dealing company which will act as a market maker in overseas securities. As part of the plan, Savory Milln has recruited a junior partner from Wedd, Durlacher, the stockjobber, and is seeking to recruit six others from Wedd's European dealing team.

The partner joining Savory Milln is Mr Hugh Hughes. Mr Simon Aldridge, a partner with Savory Milln, said yesterday that he hoped the international dealing company would start operating in mid-summer.

Last September, Savory Milln announced that Dow Scandia, the bank jointly owned by Dow Chemical of the U.S. and three Scandanavian banks was to take a 29.9 per cent stake in the firm as part of the realignments taking place in the City.

Mr Aldridge said that the capital that was to be injected into the international dealing company had yet to be decided.

In other moves, Mr Martin Lloyd, 30, a dealer in short-dated gilt-edged securities with stockjobber Akroyd & Smithers, is joining Hoare Govett, the stockbroker which has forged a link with Security Pacific, the Californian bank. Mr Rodger Livesey, a director of Hoare Govett, said yesterday that the move marked the firm's intention to apply for primary dealer status in the remodelled British Government securities market where market-making skills would be needed.

He explained that it was Hoare Govett's intention to build its primary dealing operation around its existing distribution operations and its teams.

Edwardes restricted by STC's terms

BY JASON CRISP

SIR MICHAEL EDWARDES, who was chairman of ICL the computer group for less than six months, received £183,500 in compensation from the company when it was taken over by Standard Telephones and Cables (STC) in August last year.

The figure is substantially lower than the £500,000 which has been widely circulated but Sir Michael has also received £200,000 before tax from STC itself in exchange for a restrictive covenant which prevents him from joining any of its competitors before April 1 1987.

Sir Michael is understood to have received offers in September after leaving ICL which he had to turn down because of the agreement.

The agreement stipulates that Sir Michael will not participate in any way in businesses which are involved in computers, including peripherals and software, telecommunications equipment or the operation of telecommunication services. The agreement confirms that STC asked Sir Michael to resign.

The agreement would prevent him joining companies such as Racal, Plessey, GEC, British Telecom, Mercury or foreign-owned rivals of STC. Sir Michael had been chairman of Mercury Communications, owned by Cable and Wireless, before he joined ICL.

Sir Michael who joined ICL at the beginning of April last year, had service contracts with it for three years worth £130,000 a year. After leaving ICL Sir Michael became chairman of Dunlop with a three-year contract of £156,000 a year. In addition, he had a share option scheme at Dunlop which he subsequently waived after BTR bid for the company.

Neither Sir Michael nor STC would comment on the pay-off or the restrictive agreement yesterday.

Traded options panel to gain wider status

BY CHARLES BATCHELOR

THE STOCK EXCHANGE is to give full committee status to the present traded options panel in response to the rapidly-growing volume of options business.

Dealing in traded options has increased substantially in the past 2½ months. This followed the launching of the British Telecom option in early December. Options confer the right to buy or sell the underlying security at a fixed price over a period of up to nine months.

The creation of a traded options committee will bring the number of Stock Exchange committees to 11 and should allow the faster development of the options market, according to Mr David Steen, the panel's chairman.

The Stock Exchange also hopes to begin trading in currency options by the end of June in a move which will bring it into direct competition with the London International Financial Futures Exchange (Liffe), which has plans to launch a currency option by mid-year.

The Stock Exchange expects to introduce options on dollar/sterling, dollar/D-Mark and sterling/D-Mark contracts.

It is considering a contract worth £12,500 for the smaller user and one of £125,000 or £250,000 for larger users such as banks.

Liffe expects to announce within the next month the terms of its currency option which is likely to be for sterling against the dollar with the possibility of a dollar/D-Mark contract coming later. The minimum size of this contract would be £25,000.

The Stock Exchange is also considering reducing the life of the FT-SE 100 Stock Index Option to between one and four months in response to market demand. These options at present run for three, six and nine months.

Increased trading volumes mean that option commissions will be cut soon, Mr Steen said. Users at present pay £1.50 commission on all options except BT (which is 80p) with half going to the clearing house and half to the broker.

Average trading volumes on the option market have been 13,000 contracts a day since the beginning of January, compared with 3,500 in the same period last year.

Esso stands by forecast of gas supply gap

By Dominic Lawson

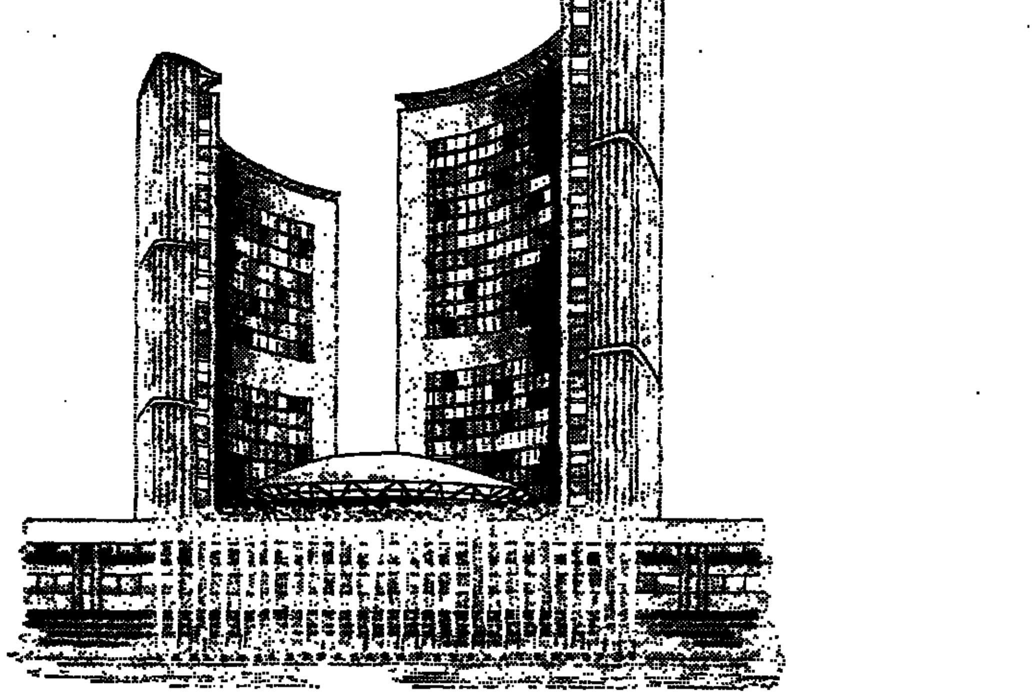
ESSO, the UK subsidiary of Exxon the world's largest oil company yesterday questioned the reasoning behind the Government's decision to block British Gas' proposed $30bn deal to buy gas from Norway's Sleipner field.

In earlier written evidence to the House of Commons energy committee, Esso produced North Sea gas supply and demand forecasts which showed a need for large imports of gas to the UK in the mid 1990s. The same reasoning had led British Gas to advocate the deal.

Mr Peter Townsend, Esso's finance and gas director, told the committee yesterday: "We will not change the estimates in our evidence. There is a need for imports. We are talking about a very large supply gap in the mid-1990s."

When Mr Peter Walker Energy Secretary, announced the veto of the Sleipner import deal this week, he argued that the main reason was that an additional 6.2 trillion cubic feet of gas had been found offshore UK since the Sleipner proposal had first been put.

Mr Townsend said it was not clear whether the new reserves were in new discoveries or merely the transfer of reserves from the 'possible' to the 'probable' category.



RESOURCES REVIEW

The political clout of the German farmer

By Andrew Gowers, recently in West Germany

OF THE howls of anguish which went up from European farmers after last year's EEC agricultural reforms, more than a fair share seems to have come from West Germany.

The farmers, ever a powerful lobby with the Bonn Government, have become a major thorn in its side.

As a result, Herr Ignaz Kiechle, the German Agriculture Minister, has been talking particularly tough ahead of this year's annual European farm price review. And a battle royal over plans cooked up in London and Brussels to cut price support for prosperous grain growers seems certain to ensue.

Germany is now being depicted by some observers, and particularly by Britain, as an important stumbling-block to further reform of the Common Agricultural Policy and, in the words of one British Euro-MP, the *"arch defender" of the* CAP's major abuses.

Herr Kiechle has already served notice that he will not countenance any price reduction in cereals, although—under a previous EEC agreement—last autumn's record harvest should automatically trigger a 5 per cent cut. The European Commission has proposed a net reduction of 3.6 per cent for grain.

Bonn's logic puzzles many foreign observers, particularly *those* in Britain, where farmers have considerably less call these days on those parts of the public purse for which the Government is directly responsible.

For one thing, Germany is by far and away the largest net contributor to the EEC budget, so its finances would stand to gain most from a restrictive pricing policy. German finance ministers have often made this point in the past in Brussels, only to see their agricultural colleagues participate in completely contradictory decisions.

For another, the German farming population has been dwindling steadily for decades, and now represents only about 5 per cent of the total. Clearly the farmers' political influence —which has been of pivotal importance in the country's coalition politics—has not shrunk accordingly.

Herr Kiechle explains the strength of the farm lobby in simple terms. The post-war experience, in which "the Germans saw that without their farmers millions would have gone hungry," still plays an important role, he says. He also *claims that, with the steady* trickle of people away from the countryside many still maintain close and sympathetic links with the farm.

This is particularly the case with Bavaria, Herr Kiechle's home state and the political base of his CSU party. It is no coincidence that both farm ministers in the past 15 years have been Bavarians.

There are other subtle forces at work, reaching back into the *Federal Republic*'s post-war *his*tory.

The Government, which had grown accustomed to providing high levels of support for farmers out of its national coffers and its consumers' pockets, was a reluctant entrant to the CAP in the first place.

Only as part of an elaborate trade-off whereby France dismantled tariffs against German industrial goods did Germany agree to open its market to French farm produce and *align* its prices with a common EEC level. And to satisfy the Germans, that common EEC level has always been artificially high.

Even now, that trade-off is never far from anyone's lips in discussing agriculture in Germany.

Whenever the country's numerous and vocal free-marketeers criticise the CAP as a waste of money or a mockery of liberal economic theory, the *farmers and their friends* in Government reply that it is simply part of the price of belonging to Europe.

Under the CAP, German farmers have massively expanded its output. With the aid of a special monetary dispensation which effectively subsidised its agricultural exports to other EEC countries, the country is now the fourth biggest food exporter in the world, after the U.S., France and the Netherlands.

Now, with the so-called "farmers' parties," the CDU and CSU in power, the German line on agriculture appears to have hardened. It is not difficult to see why.

Since taking over the post in 1983, and especially since last year's EEC price review, Herr Kiechle has been subject to tremendous pressure—and a good deal of abuse—from farmers, whose incomes fell nearly 20 per cent in the 1983-84 financial year and are *unlikely fully* to recover.

Herr Ignaz Kiechle, Germany's Agriculture Minister.

Although the going has been getting rougher for most EEC farmers in recent years, the Germans complain that they are suffering more on two main counts.

First, the average size of West German farms, at around 15 hectares per holding, is smaller than in any other Community country growing "temperate" crops such as cereals.

This means that many German farmers make less efficient use of capital and inputs than *the big "industrial farmers" of* France, with an average farm size of 25 hectares, or Britain, where holdings average nearly 69 hectares.

In contrast to the trend in many other Community member states, it has been longstanding German Government policy to endeavour to keep small farmers on the land. This was encouraged by giving incentives to set up in rural areas, providing employment opportunities for farmers who worked their holdings on a part-time basis, but the strategy has fallen on hard times with the shrinking of industrial employment opportunities.

The difficulties have been compounded, say German agricultural *economists, by the* imposition of milk quotas, which deprived small farmers of their only remaining opportunity to maintain their income: expansion.

As a result, the gap between farm incomes in the north and the south—Schleswig-Holstein and Lower Saxony compared with Bavaria and Baden-Wuertemberg—has continued to widen.

Even in a good year like 1982-83, the top 25 per cent of German farm incomes averaged 28 times as much as the bottom quarter.

Secondly, the phasing out of the special *currency adjustment* previously enjoyed by German farmers—known as the positive monetary compensatory amount (MCA)—has come as a bitter blow.

Herr Kiechle agreed to this move, under which prices received by German farmers are to drop by a total of 10 per cent in three phases and imports will become more competitive with domestic produce, as part of the 1984 EEC price package.

The resulting outcry was too much for the Government. In a startling illustration of the awe in which the farm lobby is held, Chancellor Kohl wrung permission from other EEC leaders to break Community rules and grant his farmers a special tax allowance in compensation.

Herr Kiechle, in turn, managed to obtain concessions from the Finance *Ministry for* farmers worth a total of DM 23bn over the next eight years.

But German farmers still feel bitter rather than grateful. Many people, including Herr Kiechle's former No 2, Herr Hans-Jurgen Rohr, are critical of the way the special aid has been distributed, saying that only the bigger producers have done well out of it.

"The trouble with our agriculture is that economic and social concerns are so intertwined," said a farming consultant in Bavaria. "From the economic point of view, it's better to have the *biggest* possible and most industrialised farms. From the social point of view it may look different."

Clearly, Herr Kiechle's room for manoeuvre is about as limited as his small farmers' present profit margins.

KIECHLE AND THE BAVARIAN FACTOR

AS AN Agriculture Minister, *Herr Ignaz Kiechle looks* almost too good to be true. Round, occasionally red faced, and kindly, a regular farmer Braun. His background, too, seems tailor-made — farmer and son of a farmer, Bavarian at that. Which partly explains why few people in Bonn knew him when he was suddenly catapulted into Chancellor Helmut Kohl's cabinet *early* in 1983.

Another part-explanation is that his predecessor, Josef Ertl, completely dominated West German agricultural politics for 14 years. The Free Democrats were forced to forfeit Herr Ertl's cabinet seat after losing ground in the 1983 general election.

Herr Kiechle, a member of Herr Franz Josef Strauss's Bavarian-based Christian *Socialist* (CSU) *Party*, was presented to the public by the Government's image-makers as extraordinarily hard working, interested in *everything from cows to tele*communications, and wiht a long history of agriculture-related political activism in Bavaria.

However, the 54-year-old minister seldom smiles at a camera, which is probably a good thing since Germany's mollycoddled farmers have been at odds with him for more than a year now.

Like most of his Community counterparts, Herr Kiechle ran into a storm that persists to this day, over the decision last year to cut milk production by means of quotas. While the wound was still open, he felt obliged to avoid at least one meeting with farmers near Bonn.

Although he was quickly supported by Herr Gerhard Stoltenberg, the Finance Minister, Herr Kiechle stumbled *badly* when the small Bavarian milk producers turned *to* Herr Strauss for support and got it. Herr Kiechle rashly remarked that his party leader had been ill-informed, only to be rapped over the knuckles by Herr Strauss. Small wonder. The CSU, which operates only in Bavaria (Chancellor Kohl's Christian Democrats, the Bonn coalition leaders, do not campaign in the state) depends for 80 per cent of its support on the small, mostly dairy, farmers.

A subsequent attempt to cool farming tempers did not help much. Along with the Finance Ministers, Herr Kiechle devised a DM 1bn package of concessions to farmers, including allowing them to hold up to 5 per cent of sales tax. Critics in Bavaria simply snarled that all the concessions meant was that their losses might be checked (given that dairy turnover would inevitably fall) while the big grain farmers in Schleswig-Holstein and other northern Lander would get richer. Herr Stoltenberg, it should be pointed out, is from Schleswig-Holstein.

Herr Kiechle then made what experienced observers believe was a major blunder. He fired Herr Hans-Jurgen Rohr, easily the most experienced civil servant in the agriculture ministry, over a disagreement that has never been *made public but* was probably related to the milk quota cuts.

But if his counterparts on the Council of Ministers who go to Brussels in March to discuss grain price cuts believe their German colleague *is* going to be as easy a pushover this time as on milk they are wrong. Herr Kiechle, goaded by threats that the Bavarian farmers might do the unthinkable and *desert the CSU in the 1987* election, is going to fight his corner.

"I expect to be on my own in Brussels," he said recently. However untenable that position becomes, he has little option but to stick to it. Alienating another large section of German agriculture would do him serious political damage.

Herr Kiechle, who has been in Parliament since 1969, still calls himself "*a farmer by profession*." The cattle on his 14-hectare lot near Kempten in the deep south are being looked after by neighbours. One day he will probably go back there. If he lacks farming friends now, he is unlikely to want it to stay that way.

Peter Bruce

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PROPOSED MERGER OF THE OPERATIONS OF APEX AND CLYDESDALE

The application to the Supreme Court of South Africa (Witwatersrand Local Division) made on 12 February 1985, for the sanction of the Scheme of Arrangement providing for the merger of the operations of Apex and Clydesdale, was opposed by two shareholders *together holding 5.1% of the issued share capital of Apex.* The Court postponed the application to Wednesday, 20 February 1985.

Shareholders of Apex and Clydesdale will be advised of the outcome of the postponed application in due course.

Consequently, certificates for shares in Apex and Clydesdale will continue to be good delivery on The Johannesburg Stock Exchange and Clydesdale's share certificates will continue to be good delivery on The Stock Exchange, London, until further notice.

12 February 1985

Members of the Gold Fields Group

INTERNATIONAL ISSUE BANQUE FRANCAISE DU COMMERCE EXTERIEUR
$ US 20.000.000,- DUE MARCH 15, 1989

We inform the bondholders that the redemption instalment of $ US 2.500.000,- nominal due on March 15, 1985 has been satisfied by purchase on the market of $ US 2.060.000,- nominal bonds and by the drawing for redemption of $ US 440.000,- nominal on February 4, 1985, in Luxembourg, in the presence of an *Huissier.*

The bonds will be reimbursed at par on March 15, 1985, coupon due on March 15, 1986 and following attached, according to the modalities of payment on the reverse of the bonds.

The numbers of such drawn bonds are as follows:
17397 to 17559, 17561,
17564 to 17567,
17569 to 17571, 17573,
17579 to 17588,
17592 to 17605, 17618 to 17861,
Amount outstanding after March 15, 1985: $ US 10.000.000,-

THE PRINCIPAL PAYING AGENT
SOCIETE GENERALE
ALSACIENNE DE BANQUE
15, Avenue Emile Reuter
Luxembourg

TELEFONAKTIEBOLAGET L M ERICSSON
US$20,000,000 6½% Loan 1986

S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.$1,200,000 due *15th March, 1985 has been met* by purchases in the market to the nominal value of U.S.$160,000 and by a drawing of Bonds to the nominal value of U.S.$1,040,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public are as follows:—

6326 to 6333	6363 6364	6395 to 6401	6406 to 6410	6416 to 6419
6427 to 6437	6442 6443	6446 6460	6462	6472 to 6476
6478 6479	6521 to 6557	6559 to 6573	6597	6602 6603
6605 6606	6612 to 6631	6642 6643	6646 to 6651	6694 to 6698
6703 to 6706	6708 6709	6712	6748 to 6749	6762 to 6764
6781 6787	6792	6828 to 6835	6853 to 6863	6866 6867
6874 to 6876	6897 6898	6922 6931	6964 6967	7012 to 7017
7023	7025 to 7027	7052 to 7056	7072 7073	7099 to 7104
7115 7116	7156	7175 to 7177	7183 to 7186	7188 to 7196
7204 to 7206	7215 to 7217	7222 7223	7227 to 7231	7261 7262
7264 to 7268	7329 to 7338	7367 7387	7393 to 7395	7414 to 7420
7423	7426 to 7430	7434 to 7437	7455 7461	7464
7499 to 7502	7506 to 7508	7514 7515	7519 7540	7542 to 7547
7556 to 7559	7563 to 7568	7572 to 7585	7590 to 7596	7598
7613 to 7618	7627	7632 to 7637	7652 to 7654	7656
7665 to 7674	7680 to 7685	7704 7705	7718 to 7729	7737 to 7743
7749 to 7761	7771 7776	7801	7811 to 7822	7862 to 7865
7868 7869	7882 7891	7894 to 7897	7902	7946 to 7949
7957 to 7972	7975 to 7977	7981 to 7985	7990 7991	7997 8010
8019 to 8024	8026	8083 to 8086	8111 8112	8131 8132
8191 8192	8204 to 8206	8217 to 8221	8223	8232 to 8236
8330 8331	8365 8366	8372 8373	8408 8422	8483 8493
8501 8502	8527 to 8547	8551	8640 to 8642	8656 to 8658
8700 8701	8711 to 8714	8730 to 8748	8786	8788 8789
8821 to 8833	8837 to 8856	8858 to 8876	8878	8887 8888
8897 8898	8916	8946 to 8950	8985	8994 8995
9021	9039 to 9043	9090 to 9095	9136	9162 9163
9302	9312 to 9314	9316 to 9320	9322 9333	9336
9343 to 9349	9352 to 9358	9387 to 9391	9395 9398	9402 to 9404
9407 to 9417	9425 to 9429	9437 to 9441	9445	9448 to 9450
9458 9459	9461	9497 9498	9601 9602	9609 to 9613
9615 9616	9619 to 9626	9642 9643	9645 to 9647	9702 to 9704
9758 to 9767	9781 to 9787	9793 to 9796	9880 9881	9886 to 9891
9938 9939	9944 9945	9947 to 9954	9956 to 9969	10013 10014
10048 to 10059	10087 10088	10091	10123 to 10128	10194 10242
10271 10272	10275 to 10287	10325 to 10332	10342 to 10351	10388 to 10396
10405	10407 to 10419	10465 to 10466	10488 to 10490	10535 10642
10679 to 10684	10702 to 10716	10789 10790	10805 10806	10812
10966 to 10969	11057 11058	11066 to 11069	11125	11132 to 11134
11141	11147 to 11156	11190	11195 11196	11230 11238
11244 11245	11330 to 11337	11339 11397	11452 to 11456	11465 11558
11621 11666	12006 12026	12036	12110 to 12114	12173
12232 12233	12241 12242	12319 12423	12515 to 12518	12521 12532
12544 12545	12576 to 12589	12593 to 12595	12598 12705	12720 12824
12870 to 12874	12921	12929 12930	12932 12933	12989 12990
12998 12999	13023 to 13027	13029 to 13032	13072 to 13079	13089 to 13091

On 15th March, 1985 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S. G. WARBURG & CO. LTD.,
33, King William Street, London, EC4R 9AS,

or one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 15th March, 1985 and Bonds so presented for payment must have attached all coupons maturing after that date.

U.S.$1,200,000 nominal amount of Bonds will remain outstanding after 15th March, 1985.

The following Bonds previously drawn for redemption on the date stated below have not yet been presented for payment:—

15th March, 1984

14217	14218	14702	16181	16916	16925
16926	16927	16955	16956	17237	17652
18123	18124	18355	18356	18470	

33, King William Street, London, EC4R 9AS — 14th February, 1985

NOTICE OF EARLY REDEMPTION
RICOH COMPANY LTD.
US$15,000,000 6¼% Convertible Bonds 1991
("THE BONDS")

Notice is hereby given that in accordance with Condition 6(B) of the Terms and Conditions of the Bonds, the Company will redeem all of the outstanding Bonds at 102 per cent of their principal amount on March 31, 1985 when interest on the Bonds will cease to accrue.

Accrued interest due on March 31, 1985 will be paid in the normal manner against presentation of Coupon No. 17 on or after March 31, 1985.

The right to convert the Bonds into fully paid shares of the Company will terminate on March 31, 1985, the date fixed for redemption. Bonds surrendered for conversion will not be entitled to accrued interest and must have attached all unmatured Coupons and all coupons maturing thereafter. Bonds for conversion should be lodged in accordance with Condition 5(B) at the offices of the Conversion Agents specified on the Bonds on or before March 31, 1985. The Bonds are presently convertible into fully paid shares of the Company at the price of Yen 318.90 per share. At such conversion price the holder of a US$1,000 principal amount of Bonds would receive 922 shares of the Company (using the fixed exchange rate specified in the conditions of Yen 295 = US$1). The reported closing price on February 8, 1985 of the shares of the Company on the Tokyo Stock Exchange was Yen 890 per share. At such a price, the holder of a Bond of US$1,000 principal amount would receive upon conversion 922 shares having an aggregate value of Yen 820,580.

Failure to deliver Bonds for conversion on or before March 31, 1985 will automatically result in redemption at a price (including accrued interest) of US$1,051.25 for each US$1,000 principal amount of Bonds.

Repayment of principal will be made upon presentation of the Bonds with all unmatured Coupons attached at the offices of any one of the Paying Agents mentioned thereon.

THE CHASE MANHATTAN BANK N.A.,
London, Principal Paying Agent.

February, 1985

APPOINTMENTS

Senior Fisons research post

FISONS has appointed Dr T. S. C. Orr as director of research and development in the pharmaceutical division. He succeeds the late Dr D. C. Quantock. Dr Orr was appointed director of research in 1983 with particular responsibility for Fisons new drug research programme.

★

TELEVISION SERVICES INTERNATIONAL has made two senior appointments. Mr Gerry Zierler has been appointed chief executive of TSI's video companies and Mr Andrew Lawson-Tancred has been appointed managing director of TSI's production division. Mr Zierler joins TSI following a long career in broadcasting and advertising, including chief executive of two independent local radio companies, and has held media positions in leading London advertising agencies (including Ogilvy & Mather).

Prior to becoming managing director of TSI's production division Mr Lawson-Tancred was the assistant chief executive at the Chequepoint Group.

★

APPLIED COMPUTER TECHNIQUES (HOLDINGS) has appointed to its board Mr Simon Hunt as an executive director responsible for corporate planning, and Sir Timothy Harford as non-executive director. Mr Hunt joins ACT from Peat Marwick Mitchell and Co., Birmingham, where he was a senior partner responsible for corporate assignments, including management consultancy work in the service, retail and manufacturing industries. Sir Timothy Harford is an executive director of Singer and Friedlander in which capacity he has been closely involved with ACT as its financial adviser since the flotation of ACT in 1979.

★

Mr Michael J. Egerton has been appointed a director of CLARKE CONSTRUCTION. He is regional director of the south-*western division.*

★

Mr James Cooke has joined BINDER HAMLYN from PA Management Consultants, where *he spearheaded work for the* Government. Mr Cooke has been named managing director of Binder Hamlyn Management Consultants, with responsibility *for all of Binder Hamlyn man*agement consultancy services.

★

NATIONAL AND PROVINCIAL Building Society has appointed *Mr John F. Richardson* its chief executive. Mr Richardson, who has been acting chief executive for the past four months, was the former chief general manager of the Burnley Building Society before its merger with Provincial two years ago.

★

Mr Peter Paulson has been appointed *managing* director of ROBERT BARROW, the Lloyds insurance broking subsidiary of the Vestey family. Mr Paulson was previously a director of the Hogg Robinson Group.

CONTRACTS

£14m N. Sea project

HUMPHREYS AND GLASGOW has been awarded a contract worth around £14m by Shell UK Exploration and Production on behalf of Shell and Esso for the design of the topsides facilities for the Tern offshore production platform. The contract covers a review of the conceptual design and full engineering and detail design of the topside facilities including wellheads, separation, gas compression, mud treatment, *power generation, drilling faci*lities and all utilities. It also covers the design of living quarters for 184 men as well as the drilling derrick and *substructure*, helideck and flare boom. Tern will be a fully-equipped drilling and production platform and is the first of the third generation of offshore *platforms planned for installa*tion in the northern North Sea.

★

The City of Glasgow District Council has decided to install a new computer system from HONEYWELL at a cost of £2.2m. The council has the largest number of local authority houses in Western Europe, and housing management will be a key task for the new computer, which will hold a database of over 180,000 properties. The computer will be used for housing allocations, repair scheduling and costing, and rent accounting.

★

Two contracts valued together at £2.35m have been signed by HENRY SIMON (a Simon Engineering company) for the supply of cereal milling plant and machinery to China. The larger of *the two orders* covers the design and supply of mechanical and electrical equipment for a flour mill to be built for the Shenyang Grain Bureau in the Liaoning Province *of the People's Repub*lic. The mill will have a capacity of 350 tonnes of wheat per day and Simon staff will supervise the erection and commissioning, and undertake training of Chinese operatives. The contract is valued at £1.89m and is due for completion in September 1985. The second order is for wheat cleaning, finished products handling and packing equipment for installation in Shanghai.

★

Fisons horticulture division at Bramford, Ipswich, factory site is spending over £2.4m on the installation of a new process plant. The contract, placed with COCKSEDGE & CO., is for the complete package, from ground works and new building construction, to the design and manufacture of the new equipment. The plant is expected to be in full production this year.

BUSINESS LAW

European Court leaves RPM loose ends

BY CELIA HAMPTON

A LONG PERIOD of uncertainty for the book trade on retail price maintenance has recently been prolonged by the European Court. For the petrol industry, on the other hand, it has been uncomfortably clarified, to the benefit of the driving public.

The court has given judgment in close succession in two cases involving the French supermarket chain, Centre Leclerc*. The issue in both cases was the enforcement of minimum prices by French legislation.

The provisions of European Community law under scrutiny were the competition rules and the rules on free movement of goods between member countries. Although the anti-competitive aspects of RPM would strike the non-lawyer, even the non-EEC lawyer, as the more significant, the court in the event sidestepped the issue in the books case and delivered a pretty summary dismissal of it in the petrol case.

The relevant competition provision of the Treaty of Rome — Article 85 — prohibits restrictive practices between enterprises. RPM is generally high on the list of objectionable activities. The provision is not directed at the member states; indeed, they cannot themselves be in breach. They have duties, however, to ensure that they do nothing to distort competition *in the Common Market and to* abstain from measures which might jeopardise the attainment of the treaty's objectives (Arts. 3(f) and 5/2). Legislation *permitting RPM could therefore be* invalid by EEC standards if it undermined the enforcement of the treaty's aspiration to free competition throughout the *Common Market.*

The French law on publishing RPM is rather peculiar in that it supports the publisher's decision fixing the minimum *price of a book. A bookseller* who undercuts faces penalties and may be prohibited from selling the book by order of the court. The price is not enforced as an *agreement between* publisher and bookseller, however, as it would be in the UK. On the other hand, the French legislation could be invalid if it made "corporate behaviour of the type prohibited by Article 85 superfluous," to use the *words of the court.*

Noting the French Government's observations on the cultural justifications of RPM on books (*whether* this amounts to an endorsement of the argument is doubtful), the court went on to find that there is as yet no European Community policy on purely national systems in the book sector. The member states' treaty obligations are not specific enough to preclude legislation such as *the French. This leaves the* competitive obligations of publishers and booksellers in systems which rely on an industry-wide agreement as undefined as before.

There was less room for argument on the French law fixing minimum pump prices for petrol. The mechanics of the legislation are simpler — *the* Government authorities fix a price each month and selling petrol below it may be visited by proceedings in the local trade tribunal. The court found that this was a public government act, even though it affects competitive relations between different operators in the trade *and though the price* fixed officially reflected the French refiners' price. Public measures of state on the national level are definitely not caught by the *competition rules of Article 85,* the court ruled.

The aim of the competition rules is rather different from the aim of the free movement *of goods provisions of the* Treaty of Rome. While both aim for a free market economy Europe-wide and both prohibit interstate restrictions rather *than purely national ones,* the competition rules can affect practices limited geographically to one country if it is a substantial part of the relevant *market.* (This is *what* could put the UK's Net Book Agreement in jeopardy.)

The freedom of movement provisions, however, apply only *to imports and exports* between member countries. They also tend to be more rigorously enforced and there is less room for justification except on narrow, non-economic considerations under Article 36. The aim is to make, say, Anglo-French trade as *unrestricted* as trade between England and Wales.

The French measures on petrol prices were not obviously in breach of the obligation not to impose quota or tariff-like restrictions on imports (Article 30) because the minimum price applied to domestic and imported petrol alike. The French Government agreed that the wide network of small retailers would be imperilled by price competition and that lower *prices would encourage a pro*fligate use of scarce resources. Disregarding the consumer interest for the moment, a minimum price would seem simply to give the importer with lower costs a bigger profit margin or a better bargaining position for acquiring retail outlets.

The interests of free trade, *however, go further than that.* For one thing, the distribution network for petrol tends to be tied to the supplier. The principle moreover embraces the *ability* of a competitor to take advantage of lower costs to secure an advantage on the market. A minimum price, particularly in the case of a homogeneous substance like petrol whose origin is indiscernible to the consumer, removes this possibility.

The fact that the retail price is the essential component of competition between petrol companies deprives importers of this competitive edge and is invalid, therefore, as contrary to Article 30.

An argument tentatively put forward by the French Government, that violent competition *between pompistes* could erupt in a threat to public security (so justifying the measure under Article 36), was dismissed as unproven.

The argument adopted by the court *vis-a-vis* imported books was different. In the case of books published in another member state, the French law *is* at fault for putting the principal importer into the role of price-fixer (the principal importer being the one who satisfies the legal deposit requirement). Thereafter rival importers of the book are bound to charge no less than *his price. This is clearly* a restriction on interstate trade because each importer should be able to charge what he considers adequate for the imported book in the light of the cost in the country of publication.

As for books published in France, exported and then re-imported, the result of the court's ruling is more curious. French law requires the re-importer to charge no less than the publisher's price. This, however, prevents him also from taking competitive advantage of the lower cost price in the country of export and so, the court ruled, the legislation is invalid under Article 30.

Although the court recognised that an export/re-import journey out of France solely to circumvent the law — a sort of cultural "butter ship" — would not be authorised by EEC law, the result of a *bona fide* failed export deal could undermine the effect intended by the French RPM law.

If, say, a Luxembourg bookseller imported 5,000 copies of a French work, but it turned out that the Luxembourg readership, though enjoying the same mother tongue, did not *appreciate it enough to buy* more than 1,000 copies, a French bookseller could re-import the remaining 4,000 copies at a discount and undercut the French *publisher's* price with impunity, however popular the book might be on the shelves of the supermarket Leclerc. An odd retribution for an unsuccessful export attempt!

The court, finally and curtly, dismissed the French attempt to justify the import restric*tions on the general cultural* basis under Article 36, saying that the provision had to be interpreted strictly and could not be extended. It did not enlarge on why protection of the cultural interests involved in publishing could not rank as a factor in "public policy" under that provision.

**Case 229/83, Judgment of January 10 1985, FT Business Law Brief, January 1985 (fixed prices for books); Case 231/83, Judgment of January 29 1985.*

Celia Hampton is assistant general editor of the International and Comparative Law Quarterly, editor of the Bulletin of Legal Developments and author of Criminal Procedure.

TECHNOLOGY

EDITED BY ALAN CANE

NCR DEVELOPS THE NEXT GENERATION OF BANKING MACHINES

Fast cash and a touch of the movies

BY ALAN CANE

NCR, the U.S.-based computer company which gave the world the talking bank-in-the-wall, is about to launch a successor featuring moving pictures.

The most dramatic innovation in the latest family of automated teller machines (atms) NCR has developed at its Dundee, Scotland, financial systems centre is interactive video, a combination of videodisc placer and computer.

It gives the machine startling new capabilities. It could for example, display a short film about an investment scheme.

The customer would be able to "interact" with the film, however, by using a keyboard built into the atm or by touching "keys" displayed on the screen.

It would be possible to see the results of different methods of investment; the customer would be able to insert his own financial information and receive properly calculated answers.

What NCR has tried to do in this new range of machines—the Auto 1 series—is to offer in a self-service machine, virtualy all the services provided by financial institutions.

The list includes cash withdrawals, deposits an denquiries, loans and insurance, the buying and selling of stocks and shares and investment advice.

It is all a far cry from the the first "banks in the wall," simple cash dispensers which issued a fixed sum of money on insertion of a slotted card, or even the present generation of atms which simply dispense cash, take orders for statements or cheque books and answer enquiries.

Auto 1 is not a single machine but a range of atms built into a common shell all with different capabilities. One variant dispenses cash in 10 seconds. Another accepts cash and cheques in envelopes and yet another prints a full A4 sized statement on headed stationery.

The variants can be mixed and matched to suit the needs of the individual financial institutions. One location, for example, might only be suitable for a fast cash dispenser while another could offer a full range of services — money, account details, investment advice.

The machines are designed either to stand alone in the banking hall or to be built into the wall.

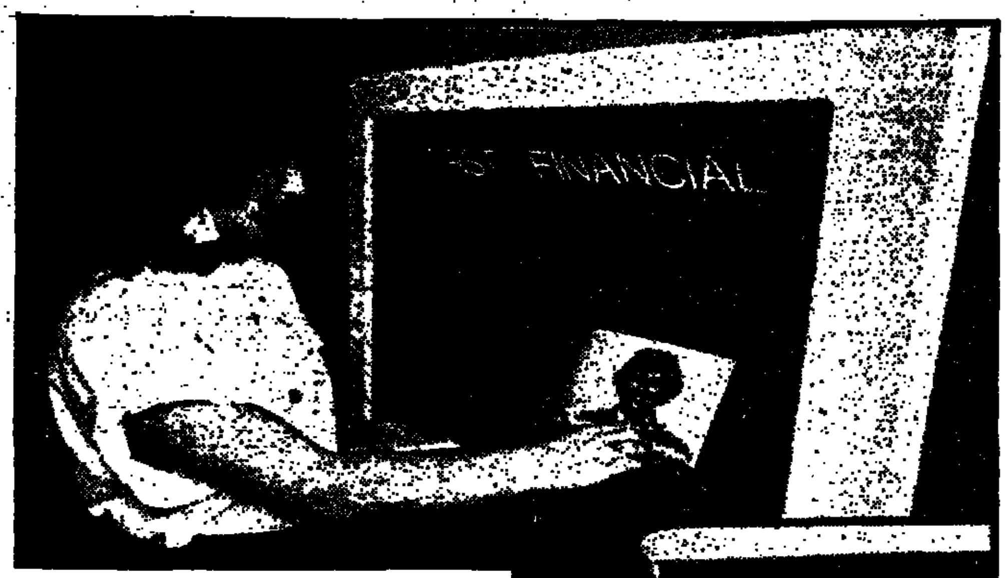
The full range will be available later in the year but NCR has already launched the first member of the family, the 5084.

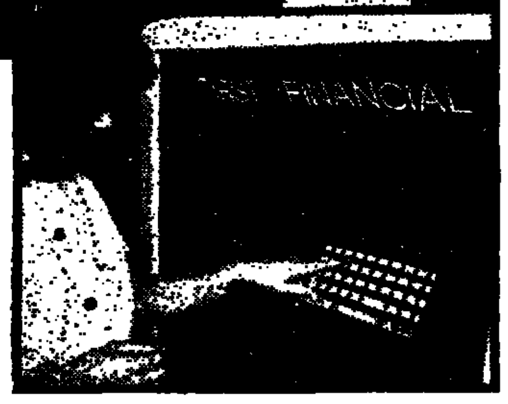
It will cost about £23,000 in the UK. NCR claims it will run for 20,000 cash transactions without a service call and handle 5,000 transactions before notes or journal paper have to be replaced.

NCR is a leader in automated teller machines with some 27,000 installed world wide.

Other major atm manufacturers are Diebold (marketed in the UK by Philips) and IBM.

NCR claims its Auto 1 range is more advanced than anything yet launched by its competitors.





NCR has already produced two versions of its new family of automated teller machines. Top right: How the machine could be used to display videos of new services while the bottom insert has keys displayed on the screen for the customer to request information. Other possibilities include machines which can accept cash and print statements on A4 paper. A similar shell is used for each member of the family. Specific machines are built by combining modules to give anything from a fast cash dispenser to an electronic teller.

ELECTRICITY SUPPLY

CEGB plans for control rooms

BY ELAINE WILLIAMS

THE CENTRAL Electricity Generating Board will complete an ambitious project to incorporate advanced technology into its grid control rooms by the end of next year.

At a cost of £24m, the project will streamline control of the electricity grid and provide the CEGB with better matching of the nation's electricity supply to fluctuating demand.

The equipment will be installed at five new area control rooms at St Albans, Leeds, Bristol, Birmingham, and Manchester and a national one at Wokingham. This will move the CEGB from a three tier to a two level control system by incorporating district control into the area network.

Much of the work involves the better presentation of information through the use of computer graphics display systems coupled with conventional wall diagrams. Computer control of the grid is improved when operators have a clearer view of problems in parts of the electricity network.

At least 500 man years of computer software development is needed to control the overall system, much of it written by CEGB staff. There are 10 major suppliers involved with the equipment installation which started towards the end of last year. These include Ferranti Computer Systems, GEC Measurements, GEC Computers, Sigma Electronics Systems, Transmitton and Frazer-Nash (Electronics).

In order to sort out the problems associated with the introduction of new technology, the CEGB has built a mock up of the control room in an old stores warehouse at Chiddingstone in Surrey. This is now used for operator training.

At Chiddingstone, operators sit at either one or two man workstationsw ith a bank of graphics terminals in front of them. Each workstation has a clear view of the 50 feet long by 12 feet high national grid wall diagram.

Frazer Nash is providing 80 specially designed terminals through which operators can take information from and give orders to the grid control computers. Frazer Nash developed two types of terminal for control roms the largest of which has more than 100 pre-programmed "soft" keys for information gathering. A tracker ball fitted at one side of the keyboard is used to move a cursor around a computer representation of the grid on the 26-inch colour monitors supplied by Sigma. Operators can zoom into a single circuit breaker which may control a small village.

The second terminal is a portable unit with a conventional alphanumeric pad. This is intended mainly for carrying out maintenance work on the grid and can switch off various elements or power them back up again. As this unit is used intermittently, the CEGB specified that it should be battery operated. It is cordless and connects into the main computer by an infrared link.

> At least 500 man years of computer software development is needed to control the overall system.

Up to eight of these terminals can be operated in the same area simultaneously because they use eight different infrared frequencies within a band from 30 to 100 MHz. When not in use, the terminals are kept in a drawer in the main console where they are automatically recharged.

Delivery of these units began last October to the first control centre at St. Albans.

As well as the computer terminals, conventional television sets are also built into the display to ensure that sufficient extra power is available when millions of kettles are switched on during the advertisements. Weather reports are also important to assess changing demand.

The equipment has to be as reliable and rugged as those destined for launching into space. The board has set a lifespan of 15 years for the system.

Computing

Expert systems for medicine

THE European Community is to fund a project to develop a medical diagnostic system using advanced computing techniques. Funded under the Esprit project, it will apply expert systems techniques to the investigation of nervous and muscular diseases.

The system will analyse signals from an electromyograph machine and make it easier to make accurate diagnosis. There is a shortage of expert neurologists so the computer system would help doctors less experienced in this field.

Computer Resources International of Copenhagen, Judex Datasystems, the University of Aalborg, Logica and the National Hospital for Nervous Diseases in London are members involved in the £1.4m project. The system will be developed using advanced artificial intelligence workstations produced by Xerox.

Expert systems have had their greatest success so far in medicine. Acting as an electronic assistant, they prompt the doctor by a series of questions and answers. Mycin, one of the earliest systems helps doctors diagnose bacterial infections, for example.

Displays

Flat colour screens

MATSUSHITA Electric Industrial Osaka said it has developed a flat colour panel which it has used in developing a prototype television with a 10-inch diagonal screen and a depth of 3.9 inches.

The company said the flat panel can be used for teletext, videotex, direct broadcast satellite, high definition TV and cable/pay TV. It said it will display its TV at Tsukuba Expo '85 in Tsukuba, Japan, which starts March 17.

Information

Local authority databases

SOCIAL services staff employed by Redbridge Borough Council in London are using computers to keep records of children in the local authority's care.

With a database system installed by D. M. England and Partners of Twyford, the workers can keep records of personal details of children and the length of time they have been in the care of the council.

The hardware also keeps a record showing the location throughout the borough of the several hundred boys and girls in this category. Workers find it easier to obtain genera lstatistics about the children—for instance, with the hardware they can relatively quickly obtain the information they need for monthly returns to the Department of Health and Social Security.

Inspection

Spotting the cracks

THE PROBLEM of hunting for cracks in ICI's new £30m nitric acid plant at Billingham was solved by using ultrasonic techniques. ICI used the expertise of a small British company called UCMS, based in Bristol, which showed that pipework on the 330,000 tonne capacity plant could be tested with low power ultrasonic equipment. The equipment was successful in showing up small leaks which may not have been possible to detect with conventional testing methods.

USING COMPUTERS FOR PLASTIC PARTS DESIGN

How to design moulding tools

M. H. Tools of Bogner Regis is using a computer-aided design system based on the Olivetti M40 minicomputer for the design of injection moulding tools that produce such items as car mirror housings and food mixer components from plastics.

The company is finding that once it has created frequently-used standard parts like mould plates, pillars, bushes and cap screws, they can be recalled from the CAD database and quicly incorporated into new mould designs. If customers specify changes to the design, time can be saved by editing and replotting the drawings very quicly.

M. H. Tools also has a P6066 computer-aided manufacturing (CAM) system which feeds a tape punch to prepare program tapes for a Beaver machine tool. Since it uses the same language as the M40 computer, the company plans in the next few months to integrate the two into a CAD/CAM system that will produce the tapes direct from the design. Direct numerical control of the tools is under consideration.

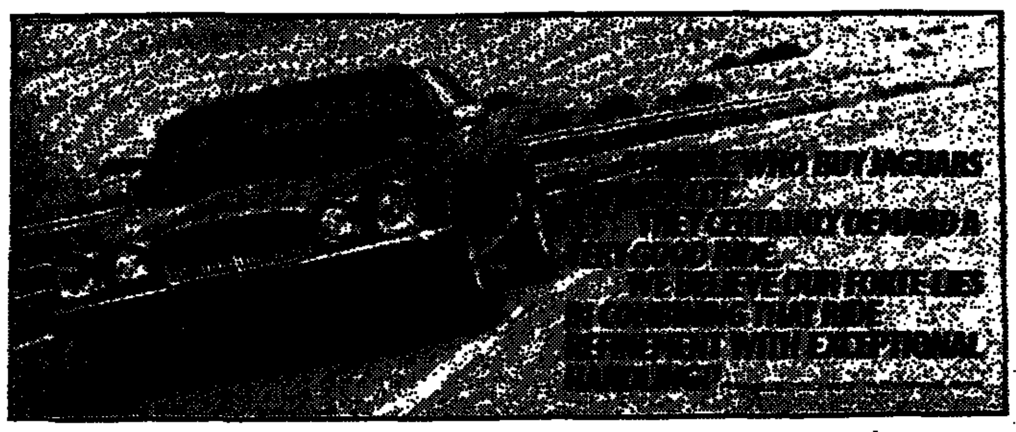
More information about the computer-aided systems from Mr Tony Newman, British Olivetti on 01-785 6666.

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

How high drama promotes high tech

BY FEONA McEWAN



Jaguar, unlike rivals which have opted for TV, uses press and posters to promote its cars

SANDWICHED in the midst of the News at Ten last week, Saab cars, a newcomer to the small screen in the UK, made its debut. And a pretty dramatic two minutes it was too. Shimmering shots of a jet fighter intercut with high tech angles of the car itself.

"From seven and a half million pounds to around seven and a half thousand. Saab — nothing on earth comes close," said the voiceover.

This is but the latest instance of the contemporary mood in car advertising where electronic wizardry, above and below the skin, is all. Where once the battle in this fiercest of market-places was fought on grounds of a pleasing chassis, reliable performance, and reasonble appetite, today's focus on high tech excellence calls for a more sophisticated approach from both sellers and buyers alike. Driving for enjoyment is very much the thing; hence "The ultimate driving machine," BMW; "Rediscover the magic of motoring," Alfa Romeo; and "Loves driving, hates garages." Citroen.

Back to Saab. The problem it faces, according to agency Humphreys Bull & Barker, is low awareness levels in the UK. Early research showed that consumers responded very positively to the notion of a carmaker which is also an aircraft-maker—as Saab indeed is. It conjures up perceived benefits such as ergonomics, safety, engineering performance—which explains the symbol of the aircraft in the commercial.

Last week, television viewers were exposed to a dozen different car commercials proclaiming the various product virtues. In cash terms, the money spent pushing such deals-on-wheels is second only to one other sector.

After department and retail stores, the automotive sector spends more on television and press advertising than any other, according to Media Expenditure Analysis Limited (MEAL).

As products converge, (increasing standardisation of "gismos" as admen call the high spec details, and lookalike shapes, viz hatch-backs) the job of the adman — in finding product differences or benefits to underline while at the same time preserving the brand property — is getting tougher.

"Cars are an immensely challenging product," says Andrew Mitchell, group director for McCormick Publicis, which handles Renault. "There's a return to 'harder' values. Before, people were happy enough if a car was comfortable, reliable and nice-looking. Now with a fragmented market offering wide ranges of cars, plus the intense price competition, such 'soft' values are gone. Now the emphasis is on performance and specification such as tighter suspension, go-fast stripes, neat driving wheels, petrol injection, seat styling and so on."

Safe option

Finding a distinctive voice to "marry" a manufacturer's "extended family" of products and give them a corporate unity may be getting harder; and many manufacturers still opt for the safe option of unadventurous advertising. It will surely be those who have the courage to take an individual stance, who will, quite literally, make their marque and stand a stronger chance of survival.

Of course, a number of distinct voices do stand out. Audi is currently achieving this by reverting to its mother tongue. "Vorsprung durch technic, as they say in Germany," goes the tag-line on the stylish Bartle Bogle Hegarty commercials, which translated means, progress through technology.

This reminder of the car's German heritage comes after the agency learnt that consumers had a hazy image of the marque. Unlike rival German marques, BMW, Mercedes, Volkswagen and Porsche where "German" equalled "quality," Audi had a soft Eurocar image, worthy but lacking in emotion. "Our job was to add warmth to a cold image," says creative director, John Hegarty.

"Both head and heart are involved in car-buying decisions so it's important to appeal to both. Hence the hopefully witty story, slightly tongue-in-cheek ads on television which is able to move the image on fastest."

There's no surety, pace admen, that good ads by definition equal good product sales. Indeed Fiat's splendid "Man made by Robots" commercial for the Strada and the Ford Sierra ads last year for cars whose sales didn't fully live up to expectations, question this.

However, another German marque, BMW, which has consistently turned in much admired advertising, courtesy of Wight Collins Rutherford Scott, would have us believe otherwise. As it happens, UK sales of the marque have doubled to over 25,000 in the five-year period of the current campaign.

"People knew it was a good car, but weren't sure why," says Robin Wight, who has written many of the Press ads which attempt to explain just that. Remember the cocktail glass standing on the engine, with the line "Shaken. Not stirred," underlining the car's smoothness. Whereas Press ads are used to highlight different facets of brand performance and quality, WCRS took the marque to television for its corporate positioning, perhaps most memorably for the 7 series, showing the car driving through a graveyard of other cars, with the catchline "The luxury car is dead. Long live the luxury car."

A British marque currently enjoying a renaissance is Jaguar, whose rehabilitative marketing drive in the last three years seems to have found effective expression in its ad campaign. Agency chief, F. John French, reports that the tag line "the legend grows" has given the company its highest ever unprompted recall and is proving highly memorable in the luxury car sector. This is noteable, considering Jaguar's relatively low budget (around £1m) and use of poster and Press only (including accounting, legal and other professional publications.)

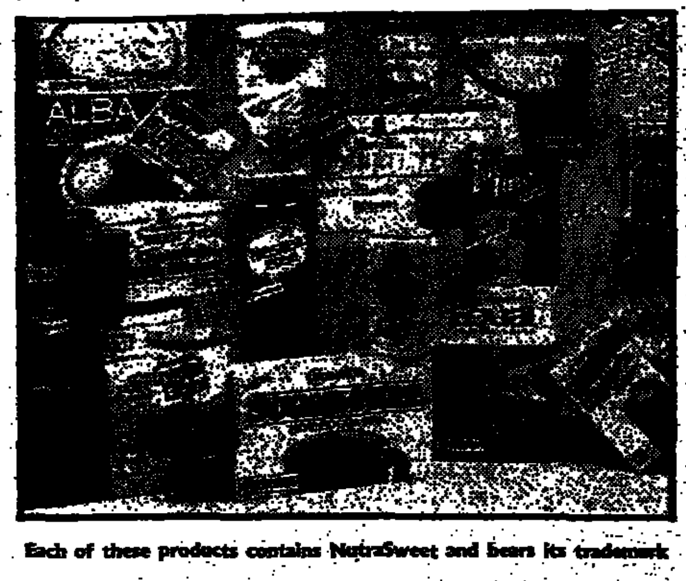
The ads are monitored as part of a recent company initiative (also practised by Ford, among others) of quality tracking. This involves interviewing every one in three UK customers at one, nine and 18 month intervals for their reactions. "Customer satisfaction levels are up 25 per cent in the last 12 months," says Roger Putnam, director, UK sales operations, "So we can only infer that the message is getting through." The execution of the ads may not break creative moulds but it seems to please the company. "French makes ads for customers, not for ad people," notes Putnam. "The use of 'legend' combines the best of what's past, the present and more to come. It has a timeless quality. Jag means wood and leather and the tradition of luxury coupled with high performance," says John French. "It's important to keep the balance of its special appeal."

Safety

Volvo continues to dominate the print medium with the distinctive ads that longstanding agency Abbot Mead Vickers has made its own. The same single-minded marketing that produces a cumbersome unfashionable heavyweight of a car when most of the automotive world is veering towards lightweight, compact shapes, also defines its advertising stance. Volvo is well-known for making safety a key selling platform, focusing on virtues such as reliability and durability rather than cosmetic issues. "Your wife drives on the most dangerous roads in Britain" and "How hard can you slam a Volvo door?" stresses the vehicles' impact protection bars.

Sweetening the consumer

Terry Dodsworth on a multi-million dollar promotion of an alternative to saccharine



Each of these products contains NutraSweet and bears its trademark

ABOUT four years ago, G. D. Searle, the U.S. pharmaceuticals group, was presented with the sort of choice which has rarely fallen to any company. Its new artificial sweetener, aspartame, had just been given the go-ahead by the Food and Drug Administration. Here was, in effect, a new commodity—one with exciting potential, perhaps, but still a commodity. How should the company market it?

The obvious answer would have been to treat aspartame just like any other intermediate raw material and sell it to food and drink manufacturers at the best price possible. There were unquestioned profits to be made in such an approach, since aspartame had qualities which were making its potential customers pant in anticipation.

A low calorie, non-fattening sweetener, aspartame offered an alternative to saccharine in the fast-growing diet food market. Although much more expensive than the older product—aspartame costs around \$90 a pound against \$4 a pound for saccharine—it was judged by consumers to have a taste closer to that of sugar; and although some individuals complained of nausea from consuming it, aspartame had been given a clean bill of health from the Food and Drug Administration after one of the most exhaustive proving periods in history.

Searle, however, rejected the commodities-type marketing approach for something much more daring. It decided to try to give its new product, an amino acid whose sweetness was discovered quite accidentally by a research worker 16 years ago, an image of its own.

It endowed aspartame with a name — NutraSweet — and blasted off with a television advertising campaign of such intensity that it appears to have reached through to virtually every American. At \$30m, Searle's advertising expenditure alone will amount this year to the sort of figure which detergent companies put behind support for their products.

Tim Healy, vice president of marketing for Nutrasweet, says a consumer survey conducted at the end of last year showed that Americans asked to identify an artificial sweetener could more easily name NutraSweet than saccharine, the established market leader. "This was a pretty astonishing result for any new product if you apply the rules of conventional packaged goods marketing," he says.

Searle hit upon its strategy without, as Healy puts it, any "road map" to guide it.
ing utensils market.

The long-term objective behind the image building is to capitalise on a technological breakthrough before patents run out. This is a more difficult process than it may sound, since Searle only has a very limited period to make its point. In the U.S., for example, its use patent expires in 1992, while in Canada and the UK it goes in 1987 and in West Germany next year.

As a result, the company decided to concentrate on three main markets— the U.S., Canada and the UK—where it believes that conditions are right to put its message across both in terms of health consciousness and the influence of television. In the UK, for example, it will shortly launch into a \$5m television advertising campaign.

In the U.S., its \$30m advertising budget is only one element of the promotional bonanza. It is planning to spend another \$20m on public relations, while coughing up a part share in a further \$120m of joint promotions with users. In addition, customers are likely to spend another \$500m on their own, independently-funded promotions.

Part of the dynamics of this hectic promotional effort is that Searle has been able to convince its clients that NutraSweet is such a strong product that they can all work together to promote it.

The contractual basis of this endorsement is not entirely clear, since Searle refuses to say exactly what sort of joint promotional deal it has with NutraSweet's end users. "We have an agreement that we shall support the brand and that they in turn will do whatever they believe is strategically correct to support it as well," Healy says.

But the end result of the policy is not difficult to see. Because NutraSweet has built up its own brand awareness, its customers are able to explain the qualities of their low-protein, sweetened products with just the one word "NutraSweet" in a 30-second television commercial.

In their packaging, the manufacturers have an equally short-cut promotional device in the shape of the NutraSweet logo—a circular swirl which is carried almost exclusively on products which are sweetened only by NutraSweet. And the final result of the combination of advertising is an extraordinary spending total of more than \$300m for a product that will probably bring in a figure of only around three times that in revenues this year.

The efficacy of this strategy will not, of course, become completely apparent until the U.S. patents expire. In the longer term, Searle will come under price pressure on NutraSweet in its big three markets from the ten manufacturers who have already geared up to sell aspartame elsewhere. Indeed, in most countries Healy says that its marketing is likely to be completely conventional.

In the meantime, however, the bandwagon that NutraSweet has managed to get rolling in its direction gives it tremendous momentum and flexibility.

First, the revenues it is earning from NutraSweet are allowing heavy investment in further research and development aimed at pushing costs down and broadening the product's appeal. Searle is confident that there are considerable production economies to be made, and it is working furiously on ways to make aspartame resistant to high temperatures—its use in confectionery is limited at present, since it loses its taste after being subjected to intense heat.

Secondly, the company has been able to maintain its prices and take what looks to be a hefty margin on the product, thereby building up some financial fat for the future. Operating earnings of Searle's consumer product division, to which NutraSweet contributed 88 per cent of sales last year, jumped by 58 per cent to \$273m.

The strength of demand for NutraSweet on which this premium pricing is based was underlined only a couple of months ago, when none other than Coca-Cola, the most powerful voice in the world soft drinks market, went over to using only NutraSweet in its Diet Coke.

The most telling point in this conversion was that Coke was following—or had been forced to follow—its arch-rival Pepsi, which had decided somewhat earlier to drop the original mixture of saccharine and NutraSweet in its Diet Pepsi.

The change-over adds weight to Searle's claim that NutraSweet has such a special pull with consumers that products containing only aspartame sweetening do much better than competitors—saccharine suffers both from a reputation of leaving a metallic after taste, and of there being questions over possible carcinogenic qualities. Coke merely comments that the higher the percentage of NutraSweet in the sweetening mix, the "less the bite" in the taste. It is clear, it says, that "the consumer wants 100 per cent NutraSweet."

JOBS COLUMN

Employment can seriously damage your health

BY MICHAEL DIXON

WHAT would happen if you removed from the economy all the people who are employed largely to undo things which other people are employed to do?

That somewhat hypothetical question has long fascinated the Jobs Column, which tends to raise it on social occasions when the conversation turns to the difference between employment and productive work. There certainly is a difference. It is clearly possible to work without being employed. Women, for instance, have been doing so for time immemorial. Nor need one be an especially sharp observer of organisational life to see that it is also possible to be employed without working.

When hard-headed folk are faced with the question, they usually demand to know what is meant by "people who are employed largely to undo things which other people are employed to do." And the best example I have been able to produce so far is tax inspectors and tax-avoidance accountants.

Perhaps providentially, this very week has brought the publication of a research report which seems to half-answer the query. The study was made by the University of Manchester Institute of Science and Technology for the Staff Federation of the Inland Revenue, which has had its staff cut by some 15,000 since 1979. The effect on those remaining has apparently been to drive more and more of them dotty in trying to cope with a relentlessly increasing "sheer volume of work."

One likely explanation, of course, is that the cut in the number of people employed to assess and collect taxes has not been accompanied by a commensurate cut in the number employed to avoid them.

Worry

The report raises a farther-reaching worry. If it is true that many tax officials suffer higher anxiety levels than hospital outpatients under treatment for psycho-neurotic disorders, then there is additional evidence suggesting we should be even more concerned aboutt he sanity of the inhabitants of a good many other parts of the United Kingdom Civil Service, not to mention business concerns.

The additional evidence lies in a booklet published a fortnight ago by the Medical Advisory service which watches over the health of about 600,000 employees of state departments and associated public bodies.

One of the tasks of the MAS is to examine civil servants who are referred to it by the chiefs of their particular section. One of the prime cases in which the chiefs are instructed to make such referrals is "when an individual's mental or physical condition, although not resulting in sick leave, is conducive to inefficiency or possible misconduct, or may be constituting a risk to the officer concerned or his/her colleagues. . . ."

In 1983 — the latest year reviewed by the booklet —there were 48,500 referrals. The people in question were diagnosed to be variously suffering from a wide range of illnesses. Excluding those classed as miscellaneous, the most common ailment was mental problems of one sort or another. When neuroses are lumped together with psychoses and other mental disorders, they accounted for 21.4 per cent of the men referred and 22.7 of the women.

Those figures refer, of course, to all the departments and other bits of the Civil Service combined. They don't tell us the relative efficiencies of the different bits in driving their employees up the wall. And in trying to work out a ranking on that account, we have to rely on flimsier evidence.

For one thing, although the MAS booklet gives the percentage of each bit's total staff who were referred to it, we aren't told how many of those referred had mental problems. It can only be assumed that the number so suffering in each case was around the overall figure of between a fifth and a quarter.

For another thing, the different bits' percentages of referrals printed by the booklet relate to 1978—the year before the poor Inland Revenue began to lose staff. But as the other bits have also undergone staff cuts, it seems unlikely that the ranking by disorders has changed radically since.

In which case it is disquieting to find that the increasingly dotty Inland Revenue came no higher than mid-way up the ranking for the home Civil Service and suchlike bodies as a whole. It tied for 16th place with the Lord Chancellor's Department with a disordered percentage of 5.9.

Top rankers

The prize went to the Department of National Savings with 11.9 per cent. The Royal Mint came second with 11.1, the National Savings Bank next with 10.7, and the Department of the Environment and Property Services Agency fourth with 10.1.

(The sanest department by the same measure was—surprisingly if not incredibly—the Treasury with only 1.2 per cent referrals.)

But before readers who don't work in the Civil Service become too concerned about the risky position of their fellow citizens who do, they might be wise to have a care for their own well being.

For the Medical Advisory Service's booklet also states that in general terms the Civil Service is noticeably healthier than other sectors:

"The premature death rate for the Home Civil Service, men and women, is between 50 per cent and 60 per cent of comparable age groups in the country at large. Most serving civil servants can anticipate drawing their pensions for at least 13 years after retirement.

"Sickness absence in the Civil Service is about half the national rate, is going down, and is lower than in comparable organisations such as the Post Office. Only six in every 1,000 civil servants retire prematurely on health grounds each year and the total has varied very little over the last two decades."

What is more: "Principal and higher grade staff have low rates of sickness absence and low referral rates. Staff below these grades have higher levels of absence and referral." So it seems that civil servants are the healthier, the higher up the bureaucratic pecking order they go.

Perhaps that has something to do with the greater job security which top mandarins enjoy by comparison with equivalently placed managers in business concerns. But the finding that general health is better at the more worthwhile and challenging levels of work than at the routine levels below, may suggest a contributory cause of the ailments including the mental variety.

The MAS booklet notes that among the reasons for disorders, and particularly those leading to early retirement as unfit, lack of "motivation to work and job satisfaction are of paramount importance."

Moreover the numerous studies which have been made of such matters seem overwhelmingly agreed that the people with the lowest motivation and job satisfaction have a heavy tendency to be the people with the least inherently worthwhile jobs. And my strong suspicion is that the least inherently worthwhile jobs are those whose object is not productive work, but the undoing of things that other people are employed to do.

Hence it seems possible that the answer to the question of what would happen if we could remove such jobs from the economy, is that we would eventually have a saner society.

* *The Health of the Civil Service. HMSO £4.50.*

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Our client, a major public sector organisation with a sizeable pension fund, seeks an additional person to join their investment team.

Candidates, probably aged 23 to 28, will ideally have had experience of investment research and/or real estate. Good analytical and verbal skills are essential.

The position will involve working closely with both the Property Manager and the Venture Capital Manager in assessing potential investments and analysing performance. It is envisaged that this should appeal to an ambitious person wishing to play a role in the further development of these portfolios.

Please contact Anna Robson or Fiona Stephens who are acting as advisers and will answer all enquiries in confidence.

Stephens Associates
International Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307

PHARMACEUTICALS ANALYST

A well-respected, medium-sized firm of London stockbrokers seeks an analyst to work on the pharmaceuticals sector as part of an enthusiastic and ambitious team with an established track record covering both pharmaceuticals and chemicals.

Pharmaceuticals sector experience is desirable and he or she should have proven analytical ability as well as fluency in verbal and written communication. The successful candidate may have developed these skills in the City or in some other commercial or industrial environment.

A fully-competitive remuneration package is offered.

Write in confidence, with full curriculum vitae, to:
Box A8903, Financial Times
10 Cannon Street, London EC4P 4BY

Stockbroker

INSTITUTIONAL SALES

At least one sales person with experience of the Capital Goods and/or similar sectors is required by a leading regional stockbroker with a London office. Excellent working conditions and full research and statistical back-up are provided.

Candidates would be expected to make effective contributions from the start and could command attractive remuneration, partly linked to performance.

Write Box A8905, Financial Times
10 Cannon Street, London EC4P 4BY

MANAGING DIRECTOR

Circa £20,000 p.a.

An expanding group of private companies seeks a MANAGING DIRECTOR with proven general management experience in the mechanical engineering industry.

Preference will be given to applicants having a marketing background and who can demonstrate an ability to appreciate and implement clearly-defined financial objectives

A substantial package is offered including an incentive scheme, car and other benefits usually associated with a job at this level.

Apply in confidence to:
Mr David Ashton Davies
NEWSHIP GROUP LIMITED
Sendmarsh Works, Ripley, Woking, Surrey GU23 6LD

MANAGING DIRECTOR

Joinery Manufacturing and Merchanting

c. £30,000 N. Midlands

★ Our client company has been established for over 50 years in joinery manufacture, supplying major contractors in the housebuilding sector. In addition, and complementing the manufacturing activity, the company operate a chain of merchanting outlets supplying both trade and retail customers.

★ They now seek to appoint a Managing Director with responsibility for the overall control and continued growth of the company, which currently enjoys a turnover of £30m and a sound progressive profit record.

★ Primarily our client is looking for a successful and proven Managing Director who can demonstrate the ability and skills required to achieve successful results in a highly competitive market. Preferably the ideal candidate will have experience of joinery production management but this is not absolutely essential.

★ A realistic and generous benefits package including a company car will be offered, enhancing the salary indicated.

Please write in strict confidence quoting reference PA 850/FT to David Knowles, Operations Director, at the address below.

Ashbrittle Limited

Seabrook House, Wyllyotts Manor, Darkes Lane, Potters Bar, Herts EN6 2HQ, England. Tel: Potters Bar (STD 0707) 42406. Telex 299328 Ashbar G.
Recruitment Consultants - UK & Overseas.

Business Analyst

with a practical approach to strategic planning

Oil Industry Salary Negotiable

As the UK marketing subsidiary of one of the world's leading oil companies, we regard strategic planning as one of the keys to our continuing success in this highly competitive market. We look to our small team of analysts to provide the information vital to our company's performance.

An additional Analyst is now required to undertake studies and projects concerning the whole range of business decision making. This will include taking an overall view of the oil industry and energy business, and monitoring general economic trends — including the creation of a suitable data centre.

This post calls for preferably an economics graduate in his/her mid twenties who is numerate and can apply an enquiring mind to a wide range of business problems. Particularly important is the ability to develop, communicate and present ideas to top management; to establish and maintain contact with reliable sources of information, and to produce and interpret statistical data. While an oil industry background would be useful, it is not essential. Other relevant experience however, should include some of the following: corporate planning, operational research, economic studies or acquisition appraisal.

Salary will be negotiable, depending on qualifications and experience, plus the benefits expected of a major oil company.

Please send full career and personal details to the Personnel Officer, Total Oil (GB) Limited, 33 Cavendish Square, London W1M 0JE Tel: 01-499 6393.

TOTAL

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Stockbroking — Young Potential Partner

Northern England, c.£25,000

An old established progressive Northern partnership wishes to recruit a young potential partner. The Partnership specialises in advising private clients on a variety of medium-sized local companies, as well as on investments within the USA, South Africa, the Far East and Australia. All offices must generate enough business to be self sufficient, and in-house computing and research facilities are fully utilised by the Partnership. Candidates will be aged early 30's, ideally graduates or chartered accountants with say six years' experience of stockbroking, and will be members of the Stock Exchange. They will be frustrated in their present positions, have a desire to move out of the City and will be looking for a firm in which they can make a future. They must be personable, have a sense of humour and be capable of generating and maintaining business.

J.R. Featherstone. Ref: 12325/FT. Male or female candidates should telephone in confidence for a Personal History Form 0532-448661, *7 Lisbon Square,* LEEDS, LS1 4LZ.

FINANCE EXECUTIVE

MANCHESTER

As a leading merchant bank, County Bank offers corporate financial services to a wide range of clients, from small dynamic developing companies to multinationals and governments. The services provided by the Manchester Office include lending, equity investment and corporate advice across a client base throughout the North West.

We are seeking to appoint an Executive who will make an immediate contribution to the finance activities of the office. Applicants will possess either an ACA or AIB qualification or other acceptable professional qualification and should have relevant experience of the provision of financial services.

A competitive salary and benefits package is offered which will include advantageous loan facilities, non-contributory pension and 25 days holiday.

Interviews will be held locally but, in the first instance, please write, enclosing full details of experience, qualifications and current salary to: Ian Carlton, Personnel Manager, County Bank Limited, 11 Old Broad Street, London EC2N 1BB.

COUNTY BANK

Institutional Sales European Equities

Age 25-37

Our client, a major firm of stockbrokers, will shortly appoint a senior sales person. His/her responsibilities will include discussing European investment ideas with a wide range of British institutions. This is a demanding appointment and the ideal candidate will have at least three years' experience in the relevant area of activity in the institutional arena. He/she will not only have a proven marketing capability, but will also be able to demonstrate to our clients that they have the intellectual ability to communicate their investment views in an exacting environment.

The appointment offers a first-class career with a firm which has a leading name in the investment world. **Salary is open to negotiation but is unlikely to prove a problem to the right candidate.**

Please apply to Jock Coutts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG, tel: 01-242 5775, or 0923 776716 (8 p.m. – 10 p.m.).

Career plan LIMITED
Personnel Consultants

Treasurer

c.£24,000+Car Central London

Our client is a major multinational corporation with interests in a wide range of oil, gas and other activities.

Principal responsibilities will be to manage the day-to-day operations of the Group's Finance Company and to co-ordinate the liability and cash management of other London based companies in the Group. You will manage a young professional team. Career prospects are excellent and include the possibility of a subsequent overseas posting.

Probably in your early 30's you will have a degree ideally supplemented by accountancy or MBA qualifications. You will have at least 5 years' experience in treasury/finance in an international company with some experience of taxes and legal matters and dealing in Forex and have the personal qualities to give financial advice to directors of operating subsidiaries. Overseas experience and some French or German would be helpful.

Benefits include non-contributory pension scheme, private health insurance and relocation assistance where appropriate.

Please write – in confidence – with full career and salary details to Jim Ranger ref. B.219.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.
Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL

MANAGEMENT SELECTION

PORTFOLIO MANAGEMENT

Hoare Govett wishes to appoint two experienced private client executives. Candidates are likely to be in early to mid 30's and should be prepared to participate fully in the development of an innovative and rapidly expanding retail business.

The positions offer competitive remuneration. Applications will be treated in the strictest confidence and should be sent to Mr B F W Baughan, Hoare Govett Limited, Heron House, 319-325 High Holborn, London WC1V 7PB.

HOARE GOVETT

TAX SPECIALISTS (ACA)

Salaries c£16,000 – £30,000

Two leading US banks seek three UK and International tax experts. Applicants must be ACA's aged in the 27-35 year range, with in-depth experience of banking and finance, including double tax agreements, leasing and lending activities.

Good interpersonal skills are essential as the successful applicants will be providing technical tax advice to senior bankers and specialised tax advice to major corporate clients. For the Junior position (salary c£16,000 p.a.) UK experience is sought, whilst in the other two senior positions, greater emphasis will be on international tax affairs.

In each case the Bank will provide an excellent starting salary as well as a very comprehensive benefits package.

Please contact Peter Haynes or Brian Gooch.

U.K. CORPORATE MARKETING OFFICER

c£20,000

A major International Bank in the City seeks a qualified Banker to assume a Senior position in their expanding corporate marketing team.

A demonstrably successful London based track record in new business and major account relationships is required, and a working knowledge of French would be advantageous. Age range 28-35.

Please contact: Anne Griggs.

FOREIGN EXCHANGE SPOT DEALER

£ Negotiable

An established Bank in London requires an experienced Yen and/or Deutsche Mark Spot Dealer. Both salary and age are very negotiable.

Please contact Richard Meredith.

All applications will be treated in strict confidence.
JONATHAN WREN & CO. LIMITED. 170 Bishopsgate, London, EC2M 4LX.
Tel: 01-623-1266.

Jonathan Wren
BANKING APPOINTMENTS

Portfolio Managers

City based

Nimco Europe Limited is a newly-opened unit of The Nomura Investment Management Company Limited, Japan's leading investment house. Based in London, the company will undertake fund management on a global scale.

Two experienced Portfolio Managers are now required with a proven track record in *Bonds* or *European Equities*. Both positions will involve worldwide travel.

These are outstanding opportunities offering the exciting development potential you would associate with a new venture. Generous salaries and substantial benefits will be negotiated to attract applicants of the highest calibre.

Please write with a detailed CV indicating how you meet our requirements to Mr. N. Kishi, Managing Director, Nimco Europe Limited, 3 Gracechurch Street, London EC3V 0AD. Telephone 01-621 1466.

NOMURA

DIRECTOR

BUSINESS DEVELOPMENT

c.£35–45,000 pa + Share Option

Appointment to the Main Board of Electronic Distribution Group enjoying 70% annual growth.

To make a significant contribution to this dynamic growth, the role will be:

First — to ensure that existing subsidiaries are exploiting their full potential and implementing board policy,

Second — to research opportunities for start-ups and assume total responsibility for setting up new companies,

Third — to identify and negotiate suitable acquisitions.

To fulfil this brief successfully and maintain current expansion levels, an indepth knowledge of specialist and broad line electronic distribution is essential.

Energy, expertise and competence must be matched by flexibility, imagination and a sense of humour.

The *selected candidate* will have *already* achieved considerable career success and is likely to be under 40 years of age.

If you match these requirements and wish to stretch your abilities to the full, telephone Marc Zundel on 01-236 7222 (or 01-602 0685 evenings/weekends) *and* write with full career details to:

ZUNDEL LITTLE,
49 Queen Victoria Street, London EC4N 4SA
Tel: 01-236 7222. Telex: 883968 HEADS

All applications will be treated in strictest confidence.

ZUNDEL LITTLE
Recruitment Specialists

CROWN LIFE

A REAL OPPORTUNITY IN COMMERCIAL LENDING

Crown Life's remarkable sales and growth record has meant that we number amongst the fastest-growing financial services companies in the country.

We're now looking for someone to help us increase the sales of our products by negotiating corporate/commercial loans linked primarily to our market leading pensions products. So ideally you'll have an accountancy-related background, a good grounding in maths and commerce and real experience in commercial lending possibly with a finance house, bank or building society. We'll provide all the necessary training on pensions and other products. You'll be heading a group of three very capable people, so some previous supervisory experience is essential.

We'll also be looking for the imagination and personal drive needed for communicating with clients and the ability to hold your own in analysing accounts with our lenders and clients' accountants.

In return we offer a salary up to £10,000 and benefits to match.

Please write with career details, quoting ref 149, to Andrew Rudge, Manager, Human Resources, Crown Life Assurance Group, Crown Life House, Woking, Surrey GU21 1XW.

CAREERS WITH CROWN LIFE

Corporate Planning Executive

c. £23,000 + Car **London**

Our clients are a major British group with international operations and headquarters in central London.

The Corporate Planning function is well established but a need exists for an additional high-calibre professional to complement the existing team. He/she will be expected to make a major contribution to business development through the formulation of strategic business plans.

Candidates, aged around 30, will have corporate planning and business development or marketing related experience in a manufacturing industry, preceded by a scientific or economic training. A good business qualification (MBA or equivalent) is highly desirable. The primary requirement, however, is an imaginative and innovative approach to business development and corporate strategy. The large company benefits package includes a car and relocation expenses where applicable.

Please send your curriculum vitae to Bernard L. Taylor, MBIM, quoting reference 6739/2 or ask for a personal history form.

Mervyn Hughes Alexandre Tic (International) Ltd.
Management Recruitment Consultants

MHAT

37 Golden Square, London W1R 4AN
01-434 4091

Due to expansion Singer & Friedlander require the following executives in their London, Leeds and Nottingham offices.

Corporate Finance Executive

London, Leeds and Nottingham Offices

A trainee executive aged 25 to 30 for the Corporate Finance Department. Candidates should preferably have a working knowledge of company law and are therefore likely to hold a recognised accountancy/legal qualification or related degree. In addition we do not rule out engaging an experienced corporate finance executive wishing to further their career, or a university leaver. An attractive salary commensurate with qualifications and experience is offered together with a pension scheme.

Investment Manager

Leeds Office

Candidates for the position of junior investment manager are likely to be in their early 20's. Experience is not essential but the successful candidate is likely to have had formal training in the investment field. The position offers an appropriate salary and excellent career prospects for the right person.

Applications, *together with a full curriculum vitae*, should be addressed to the following person at the appropriate office:

Sir Timothy Harford, Bt.
Singer & Friedlander Ltd.,
21 New Street,
London EC2M 4HR.

David Courtman
Singer & Friedlander Ltd.,
National Westminster House,
8 Park Row,
Leeds, LS1 5BQ.

Laurence Coppel
Singer & Friedlander Ltd.,
206 Derby Road,
Nottingham,
NG7 1NQ.

Singer & Friedlander is an equal opportunity employer.

SINGER & FRIEDLANDER
Merchant Bankers

BADENOCH & CLARK

BUSINESS SUPPORT EXECUTIVE

To £25,000

This is an unusual opportunity to develop a career in the Internal Consultancy department of a major International Securities House.

Our client is seeking an experienced Executive to advise on the management, organisation and systems required to expand their U.K. brokerage arm.

Applicants would be expected to demonstate a thorough knowledge of U.K. Stockbroking, probably gained in the operations department of a major firm and familiarity with the Gilts Market would be advantageous. A flair for business development, and a keen analytical mind, combined with the *ability to communicate financial information* are essential requirements.

F.X. DEALERS

£20,000 + Bens

A major International Bank requires experienced foreign exchange dealers. Applicants should have at least two years experience of spot and forward F.X. trading, within an International banking environment. A strong emphasis is placed upon market-making, developing Corporate relationships in an advisory capacity and Liquidity management.

If you are ambitious and confident that you could develop your career in a challenging new environment, please call:

Chris Lawless or Stuart Clifford for a confidential discussion.

Financial Recruitment Specialists
16–18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

Investment Management

in the Capital Markets

IBJ International Limited is the merchant banking subsidiary of the Industrial Bank of Japan. *In addition to being highly active in the international* capital markets, we have a fast developing fund management business based on blue chip institutional clients. Significant growth of the funds and the development of the client base has created an opportunity for a further Investment Analyst to join the Investment Management team.

You should be in your mid 20's, possess a good academic record and should have gained sound experience of fund management, ideally in the capital markets but experience in eurobond sales or gilt edged and equity fund management sales would also be of interest.

This is the ideal opportunity to make the first *career move in investment management to join* a very active and growing fund management business.

We are able to offer a very competitive salary and the fringe benefits you would expect in a first class international bank.

Those interested in this position should write enclosing career details to Ian Matheson, Personnel & Administration Manager.

IBJ International Limited
Bucklersbury House,
3 Queen Victoria Street, London EC4N 8HR.

APPOINTMENTS ADVERTISING
Rate £37.00 per single column centimetre

SERC initiative in engineering design education

ENGINEERING DESIGN COORDINATOR

£17,529–£25,617

The Science and Engineering Research Council and The Design Council are seeking an Engineering Design Coordinator. He or she will be responsible for encouraging the implementation of the recommendations of the Engineering Design Working Party report to the Engineering Board of the SERC (the Lickley Report), which are aimed fundamentally at establishing design *as the integrating theme of engineering disciplines at universities* and polytechnics.

Applicants should have a high reputation and record of substantial achievement in advanced engineering design and a *close knowledge of engineering education at postgraduate level.* They should have a relevent degree and/or professional qualification, be capable of communicating effectively with educationalists and industrialists at senior level, and have good administrative ability.

The Engineering Design Coordinator will be employed by The Design Council in the salary range £17,529–£25,617. There is a non-contributory index-linked pension scheme. The appointment is offered for an initial period of three years but may be extended.

For further details and an application form please contact:
Miss Prue Beard, Personnel Manager, The Design Council, 28 Haymarket, London SW1Y 4SU. Telephone 01-839 8000 ext 39

serc

THE DESIGN COUNCIL

EUROBOND SALES AND TRADING

County Bank continues to expand its bond trading and sales activities and is seeking applications from candidates with two to three years' experience of market making or sales with leading institutions to work in its London Head Office and in its new subsidiaries in Hong Kong and Australia.

A competitive salary and other attractive fringe benefits are included in the package.

Please write, enclosing your curriculum vitae, to

Ian Carlton, Personnel Manager,
County Bank Limited,
11 Old Broad Street,
London EC2N 1BB.

COUNTY BANK

A member of the National Westminster Bank Group

GROUP PENSIONS MANAGER

Manufacturing Industry — N.W. based **c. £15K**

Dobson Park is a specialised engineering group of companies employing 6,000 in the U.K., and overseas, with a turnover nearing £200m. Operating activities in the U.K., are located in the North of England, East Midlands and London.

The Pensions Department is shortly to be re-located at *Group Headquarters in Wigan. The U.K. Pension* Schemes are contracted-out and are self-administered. There are approximately 4,500 members and 900 pensioners.

The successful candidate will be responsible for all aspects of pension administration throughout the Group in the U.K., and for co-ordination of the Group's overseas pension schemes and will provide a comprehensive advisory service to management, assisted by a small specialist department.

Applicants, preferably in their thirties, should hold an appropriate professional qualification and have significant relevant experience gained in industry or with a firm of pensions consultants.

Salary will be by negotiation but dependent upon age, experience and qualifications.

Applications, including brief C.V., quoting current salary, should be sent to:—

D. M. Quick,
DOBSON PARK INDUSTRIES plc,
Manchester Road,
Ince, Wigan,
Lancs. WN2 2DX.

An Equal Opportunity Employer

STOCKBROKER

CENTRAL SOUTH

Due to expansion of our firm we seek two experienced Stock *Exchange Members used to dealing with private clients.* Applicants should be aged between 30-50 years, be highly motivated and be prepared to justify a minimum annual commission income of £60,000.

Please reply in strictest confidence, giving full details, CVs, etc, to:

ADMINISTRATION PARTNER
Messrs A. H. Cobbold & Co
61 Devonshire Road, Southampton, Hampshire SO9 1XL
Tel: (0703) 333292
A. H. Cobbold & Co—serving Hampshire

Financial Journalist

The Investors Chronicle has a vacancy for a financial journalist. He or she will be expected to cover a wide variety of financial and investment topics, and write clearly and imaginatively.

The successful applicant will have a good degree and some experience of the City.

If you are intersted in applying for this position please *write with full c.v. to:*

Jennifer Leaver
Personnel Manager
Financial Times Business Information
Greystoke Place
Fetter Lane
London EC4A 1ND

FTBI

ADMINISTRATION MANAGER

We are a fast-expanding business machine distributor group, based in Central London, and need an experienced Manager to join at Director level.

Responsibilities will include supervising all corporate administration, improving internal systems and assisting liaison between the Directors and Departmental Managers.

The applicant must have at least five years' experience at executive level, be capable of working with and motivating other people, live within a 20-mile radius of London and be aged between 35-45.

Apply in confidence with curriculum vitae to:

Miss S. Emmett
"North Haven," 1 High Road, Loughton, Essex

CANADIAN IMPERIAL BANK OF COMMERCE

EXPORT & TRADE FINANCE MANAGER

Canadian Imperial Bank of Commerce is a leading international bank with an established UK presence of more than 120 years.

Our Export and Trade Finance Department is responsible for developing trade finance business throughout the Europe, Middle East and African region. Resulting from a substantial increase in business, we now wish to appoint a Manager who will assume the role of deputy head of department.

We seek an ambitious individual, probably aged mid-30s, with at least seven years' international financial experience (preferably, but not necessarily, in banking) of which four years must have been export/trade related. A detailed knowledge of at least one major European export credit programme is essential and experience of other programmes, forfaiting and private insurance would be beneficial.

This is a senior appointment and the remuneration package will reflect the experience and qualifications of the successful applicant.

Please apply in writing, with a detailed c.v., to:

Mark Willmetts, Assistant Personnel Manager
CANADIAN IMPERIAL BANK OF COMMERCE
55 Bishopsgate, London EC2N 3NN

A direct line to the executive shortlist

InterExec is *the* organisation specialising in the confidential promotion of Senior Executives.

InterExec clients do not need to find vacancies or apply for appointments.

InterExec's qualified specialist staff, and access to over 100 unadvertised vacancies per week, enable new appointments at senior levels to be achieved rapidly, effectively and confidentially.

For a mutually exploratory meeting telephone:

InterExec

London	01-930 5041/8	19 Charing Cross Rd, W.C.2.
Birmingham	021-632 5648	The Rotunda, New St.
Bristol	0272 277315	30 Baldwin St.
Edinburgh	031-226 5680	47a George St.
Glasgow	041-332 3672	180 Hope St.
Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

The one who stands out

EXECUTIVE SEARCH CONSULTANT

required with capital and a knowledge of

INTERNATIONAL BANKING

to join established City consulting firm.

Apply Box No. A8899, c/o Financial Times, 10 Cannon Street, London EC4P 4BY

Training Manager

Package to £20,000

We are a large international corporate bank employing 1,200 people in the UK. We seek an innovative manager with 5 or more years' general personnel or training experience to take responsibility for training at The Morgan Bank in London.

You will be accountable for the preparation and implementation of comprehensive training plans, development of new training programmes to meet rapidly changing business needs, and the evaluation of training performance. To achieve this you will have responsibility for a substantial training budget.

You will be qualified to degree level, with a proven track record of initiative, accomplishments and an ability to communicate with all levels of management. Prior banking experience is desirable.

The salary is enhanced by an attractive range of benefits including profit sharing bonus, mortgage subsidy, non-contributory pension, medical and life insurance schemes.

Please write with a full c.v. to Geoff Morgan, Personnel Department, Morgan Guaranty Trust Company of New York, PO Box 161, 1 Angel Court, London EC2R 7AE.

The Morgan Bank

Treasury Associate -Dealer

Occidental Petroleum Corporation, a major US based international energy company, is currently seeking a Treasury Associate to fulfil a challenging role, based at the UK headquarters.

Aged 26-32, candidates will probably be graduates, with either a banking background or in-depth experience of a multicurrency computerised treasury environment. A minimum of two to three years trading/dealing exposure is required as responsibilities will include:

- Foreign Exchange trading for the Corporation worldwide
- Funds investment for London based companies
- Funding

Working within a highly professional team, technical expertise, ambition and good communicative ability are key personal qualities. Occidental can provide a secure but exciting future. In addition, the rewards package for this London based position are excellent comprising first class salary, Company car and an extensive benefits package.

Applicants should telephone or write to Miss Jane Cornelius,
Occidental International Oil Inc,
16 Palace Street, London, SW1E 5BQ.
Telephone 01-828 5600.

OXY

Senior Banker

A respected and long established foreign bank in the United Kingdom wishes to recruit an experienced senior banker to take charge of the banking function and to serve as deputy general manager of the bank's operations in this country. The successful candidate will have a proven track record in credit and marketing, including extensive experience in retail and wholesale lending activities, credit evaluation and management and administrative skills. A thorough knowledge of trade finance including documentary credits is required and exposure to the treasury function is desirable.

This position is ideal for a senior UK banker within fifteen years of retirement who wishes to top off their career with a senior appointment carrying with it an attractive financial and benefits package.

Please reply in strictest confidence to: Box No. A8906, Financial Times, 10 Cannon Street, London EC4P 4BY.

ANGLO FACTORING SERVICES LIMITED

A SUBSIDIARY OF J. ROTHSCHILD & COMPANY LIMITED

BUSINESS DEVELOPMENT MANAGERS

Anglo is the fastest growing company in the developing field of factoring and invoice discounting. To ensure that this level of growth is maintained we are seeking additional Business Development Managers capable of identifying and developing enquiries for a wide-ranging selection of financial services.

The immediate requirements are to set up a new regional office in Birmingham and an additional Manager to be based in the Head Office in Brighton.

Candidates must be able to demonstrate the ability to sell financial services and, although a knowledge of factoring would be useful, it is important to have an overall understanding of the financial and commercial realities of small- to medium-sized companies. The job demands contact at all levels, both with prospective clients and financial advisers, particularly bankers.

These posts demand a high level of independence and therefore candidates should be "self-starters" and used to working on their own initiative.

Salary offered will be commensurate with the importance of this role in a fast-developing company and will be accompanied by an attractive benefit package in keeping with a substantial financial organisation.

Applications in writing only please to:

Mrs Anne Gilbey,
ANGLO FACTORING SERVICES LIMITED,
1 Palace Place,
Brighton BN1 1ET

HERIOT-WATT UNIVERSITY

EDINBURGH

CHAIR IN INTERNATIONAL BANKING & FINANCIAL STUDIES

Applications are invited for an appointment to a Chair in the Department of Accountancy and Finance.

In addition to having expertise in one of the specialist areas of international banking and financial studies, applicants should have a broad interest in the whole subject area. The successful candidate will be expected to contribute to the teaching activities of the department and to provide leadership in research.

Further particulars and application forms are available from the Secretary, Heriot-Watt University, Chambers Street, Edinburgh EH1 1HX (please quote Reference No. 10/85), to whom applications should be sent to arrive not later than 1 March 1985.

GUIDE TO RECRUITMENT CONSULTANTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We will be including in this feature "The Newly Qualifieds' Guide to Recruitment Consultants."

Entries in the Guide will be charged at £55 which will include company name, address and telephone number. Extra lines will be charged at £11 per line.

For further details please telephone:
Mike Hills on 01-248 4864
or
Robert Winter on 01-236 9763

Head of Investment

CITY

Cornhill is a leading composite Insurance Company with an impressive record of profitable growth both in UK and Overseas.

As the Executive reporting to a Director and responsible for funds of over £450M., you will play a key role in Cornhill's continuing success through the management of a Department of eleven people including three Fund Managers and a Property Manager.

We seek an experienced Investment Manager who has an innovative approach and a thorough understanding of modern international securities markets. Particular emphasis is placed on experience gained in an Insurance environment including the investment of Unit Linked Funds.

A reward package of c £35,000 comprising salary, Company car, mortgage subsidy, BUPA and a contributory Pension and Life Assurance Scheme with Permanent Health benefits is envisaged.

Applications, in confidence, should be made in writing to: Mr E J Hughes, Personnel Executive, Cornhill Insurance PLC, 57 Ladymead, GUILDFORD, Surrey, GU1 1DB.

Cornhill Insurance Group

BANK MARKETING OFFICER

WITH GOOD LATIN AMERICAN/IBERIAN CONTACTS

London based subsidiary of International Bank seeks a Marketing Officer to handle the bank's Latin American/Iberian business development and reschedulings. Previous experience should include syndicated loans, credit analysis, debt renegotiations, loan documentation, trade finance and correspondent banking. Should have good banking contacts in the area. Fluency in either Spanish or Portuguese is essential.

The remuneration package will be commensurate with the position and include normal industry benefits.

Candidates should send their curriculum vitae to Box No. A8902, Financial Times, 10 Cannon Street, London EC4P 4BY.

UNIVERSITY OF WAIKATO HAMILTON, NEW ZEALAND

LECTURERS AND SENIOR LECTURERS
DEPARTMENT OF MANAGEMENT STUDIES

Applications are invited for positions at the lecturer and senior lecturer levels from persons with expertise in one or more of the following disciplines and functional areas:

Finance
Business Policy
Marketing
Production Management
Accounting

As a minimum applicants must have a Master's degree or a good first degree coupled with significant practical experience. Previous teaching experience will be an advantage.

Professor B. V. Smith, Head of Management Studies, will visit London to conduct interviews from 25 March to 4 April 1985. Early decisions can be expected. Travelling and, where necessary, accommodation expenses associated with any interviews will be met.

The Department of Management Studies is a multidisciplinary department with an establishment of 30 posts. As part of the School of Management Studies it offers New Zealand's only four-year undergraduate degree in management. In addition the Department offers concentrated residential courses for practising managers. Both these programmes are growing. An applied research unit, with a professional staff of 3, is attached to the Department. All staff are encouraged to undertake research and publication either individually or on secondment to the research unit. Opportunities exist for consulting and continuing education assignments.

Permanent tenured appointments with relocation assistance are available. Consideration could be given to short-term appointments.

Current salaries for Lecturers are NZ$22,076-NZ$26,100 per annum and for Senior Lecturers NZ$27,504-NZ$30,543 (bar)-NZ$34,803 per annum. Academic salaries are currently under review. Study leave on full pay is available after qualifying period. Where possible assistance will be given with Conference leave.

Further details on the method of application and conditions of appointment may be obtained from the Secretary General, Association of Commonwealth Universities (Appts), 36 Gordon Square, London WC1H 0PF (telephone 01-387 8572).

Equality of employment opportunity is University policy.

Applications close with the Secretary General on 15 March 1985.

BISGOOD INTERNATIONAL LIMITED

We are looking for experienced dealers aged 20-30 years to join our expanding International Market-Making Team. Experience in International Markets would be beneficial but not essential.

Telephone Rory Forrester on 920-9379
or write to:
BISGOOD INTERNATIONAL LIMITED
Copthall House, 48 Copthall Avenue
London EC2R 7DN

All applications will be treated in strictest confidence.

STOCKBROKERS

NORWICH

Due to continuing expansion of our Norwich office, we require a Partner's Assistant on our private client department to start immediately.

An excellent opportunity to work in this charming East Anglian city.

Please write in strictest confidence giving full details to:—

N. B. Harrison Esq.
E. F. MATTHEWS & CO.
St. Cuthbert's House, 7 Upper King Street
Norwich NR3 1RB

FILTRATION SEPARATION SALES MANAGER

U.S. company offering wide range high performance filters, moisture Excellent opportunity to establish UK base leading to manufacture for separators for marine, aerospace and Prime Moving System applications. Strong mechanical engineering and filtration experience essential coupled with demonstrated ability in sales and marketing.

Please write, in confidence, to Box A8901, Financial Times, 10 Cannon Street, London, EC4P 4BY.

FINANCIAL PUBLIC RELATIONS ACCOUNT DIRECTOR

City of London — Salary Negotiable

Charles Barker City are keen to find a senior executive to join their existing highly professional PR team.

Initially the person appointed will handle a portfolio of clients selected for him or her by the Agency. Later on more emphasis will be placed on new business acquisition, both in the UK and internationally.

Ideally, you are in your early 30s with a proven track record in PR, journalism, stockbroking, merchant banking or accounting.

You must enjoy communicating, both verbally and on paper, and be good at it. You need to be articulate, authoritative, and innovative. You should thrive on working hard under pressure, and will find a sense of humour helpful.

The rewards are what you would expect – perhaps better.

This is a rare opportunity to join an exciting agency: your prospects are as good as you make them.

Apply to: **Jasper Archer,** Managing Director, Public Relations
Charles Barker City
30 Farringdon Street, London EC4A 4EA

INVESTORS / PUBLIC RELATIONS EXECUTIVE

A bright, enthusiastic person is sought to assist the senior management team of a major British insurance company, to deal with enquiries from analysts and financial journalists.

The post offers applicants with a strong financial/analytical backgrour ‑l the opportunity to enter the fast-growing field of financial and investor relations. An excellent package including mortgage benefits will be offered to the right candidate.

Please apply in the first instance to: Justin Downes.
Recruitment Adviser,
19/20 Old Bailey,
London EC4

International Appointments

WORLDWIDE CHIEF EXECUTIVE

FILM PRODUCTION AND DISTRIBUTION

Superb opportunity to direct an international company with substantial film interests.

The position of Chief Executive will be the spearhead for a policy of worldwide development and expansion.

Experience in the entertainment business and knowledge both of film production and distribution would be preferable but are not necessarily essential. The ability to act quickly and decisively in the completion of deals related to major production and acquisition is of prime importance. The ideal candidate is certainly already well-established as a leading executive, has interests which extend across the international scene, plus ambition for expansion of range and implementation of ideas which complement a natural ability to seize opportunity . . .

That opportunity is now being offered by ITC, whose company interests will be compatible with the highly-skilled individual who has a proven track record and is equipped to undertake the role of CHIEF EXECUTIVE OF WORLDWIDE FILM PRODUCTION AND DISTRIBUTION. ITC has offices in LONDON, NEW YORK, LOS ANGELES and in AUSTRALIA, as well as agencies throughout the world. ITC is the film division of ASSOCIATED COMMUNICATIONS CORPORATION – the wholly-owned subsidiary of THE BELL GROUP OF PERTH, WESTERN AUSTRALIA. The appointee will report directly to the Chairman of the Bell Group, will be initially based in London and will have a flexible approach to working as required in the United States.

Write in the first instance to
ALAN NEWMAN
Group Managing Director,
ACC,
ACC House,
17 Gt. Cumberland Place,
London W1A 1AG.

HEAD OF CAPITAL MARKETS AND TREASURY

Hill Samuel New Zealand Limited

is seeking a top-calibre executive to take control of its capital markets activities and Treasury. These encompass risk management related functions, including Foreign Exchange dealing, domestic money market and arbitrage activities, long-term fixed-interest dealing, commercial lending, currency and interest rate swaps.

The position is based in Wellington. The successful applicant could be a New Zealander who has obtained substantial experience of overseas markets and who now wishes to return to New Zealand. This appointment is an important step in ensuring the self-sufficiency of local management by replacing seconded personnel with permanent executive staff. Remuneration will be negotiated at highly competitive international level.

Applications will be treated with the strictest confidence and should be addressed to Mr. W. J. Perham, Director, P.O. Box 2581, Wellington, New Zealand.

Butterfield BERMUDA'S FIRST BANK

The Bank of Butterfield was established in 1858 and employs over 750 staff at its Head Office in Bermuda. Overseas offices are located in London, New York, California, Grand Cayman and Guernsey. Total assets, June 30, 1984 — BD$2.00 billion.

FOREIGN EXCHANGE DEALER — BERMUDA

The ideal candidate will be aged 25 — 30 and will have demonstrated progressive achievement in their career to date:

- A minimum of 3 years' trading experience
- Conversant with all major currencies in both Spot and Forward Markets
- Knowledge of Options & Arbitrage
- Familiar with Eurodeposit Markets

An overall knowledge of banking would be considered an asset. As part of our Treasury Team, a high level of interpersonal skills is required.

INTERBANK DEPOSITS TRADER — BERMUDA

The ideal candidate will have acquired a minimum of 3 years' experience with a proven success record:

- Specific knowledge of the Eurodollar Markets
- Experience in CDs and Futures Trading
- Familiarity with arbitrage and F/E Markets
- An understanding of FRA and Interest Rate swaps would be an advantage

These positions form part of our Treasury Team and report to the Chief dealer.

The positions offer a competitive salary, paid in Bermuda dollars at par with U.S. dollars. Comprehensive benefits, full hospital and medical insurance, relocation expenses and air fare will be paid. These are excellent opportunities for the development of experience within an international environment.

Candidates should write in confidence, enclosing full career details to: Alan Greaves, P. Adm.,
Senior Manager, Personnel & Administration,
The Bank of N. T. Butterfield & Son Limited,
P. O. Box HM 195, Hamilton 5, BERMUDA

CLOSING DATE: February 28th, 1985

VACANCIES IN SAUDI ARABIA

- SENIOR AUDITOR
- DATA PROCESSING SPECIALIST
- COMPUTER AUDITOR

The General Auditing Bureau in Saudi Arabia (equivalent to U.K. Auditor General or the U.S. General Accounting Office) is seeking candidates qualified for the above positons in Riyadh.

Responsibilities of Senior Auditors will include evaluating internal control systems and conducting financial and operational audits in both the government and private sectors. Responsibilities of the Data Processing Specialists and Computer Auditors will include developing and maintaining computerised management information systems and performing comprehensive computer audits, respectively.

Qualifications: PhD or MS degree in an applicable field or a bachelors degree with a professional certification such as CPA, CA, or CDP; a minimum of five years' experience; fluency in Arabic.

Benefits: Salary commensurate with education and experience; housing allowance; round trip travel tickets for dependants; free education at all levels for dependent children; free medical care; annual 45 days paid vacation; others.

Send your resume to:
Assistant Vice-President
GENERAL AUDITING BUREAU
PO Box 7185, Riyadh 11128, Saudi Arabia

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Accountancy Appointments

Senior Consultants
Peat Marwick, Hong Kong
Attractive salary and benefits

The consultancy practice is a well-established and expanding part of Peat Marwick's large Hong Kong presence. Continued growth has created the requirement for two Senior Consultants to join the Financial Management Group. Assignments undertaken include feasibility studies, organisational reviews and information systems work.

In addition to interesting experience, these positions offer excellent career development prospects within the firm. Salary will be negotiable between HK$20,000 and HK$25,000 per month, with a 17% top rate of tax. Benefits include good housing allowance, annual leave fares for the family and membership of BUPA and a Provident fund. On final completion of service a gratuity is payable.

Candidates, aged 28 to 35, should ideally be graduates and qualified accountants with industrial or commercial experience appropriate to the firm's assignments. Personal qualities, including adaptability and commercial awareness, must be of a high order.

Please write in confidence, enclosing career details and quoting reference 6211 to, N.P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Group Financial Accountant
A Time of Challenge

The newly created position of Group Financial Accountant within a renowned multinational company, having some seventy subsidiaries throughout the world, is by its very nature a key role. This is especially the case at the present time when the Group is actively enhancing the whole Finance function.

Thus there is considerable scope for a qualified accountant with commercial experience, probably aged 30 to 40, who has held a managerial position within the headquarters of an international organisation involving both the consolidation of group accounts and responsibility for the preparation of financial information for the Board. It is vital that the person appointed is not only used to working to tight deadlines but also possesses a personality which will ensure both cooperation and natural respect from senior management worldwide and the ability to set and develop Group Financial Accounting policy.

Indeed a major task will be the enhancement of communications with the financial management of the various operating units so as to ensure that the information needs of the company are met. This will naturally provide an opportunity for a certain amount of travel.

The Group has diverse interests but has an increasingly heavy involvement in a number of high technology sectors. The position is based at the Company's modern London headquarters and there are excellent opportunities for advancement.

The salary is negotiable but will be in excess of £20K, and the benefits are all that one would expect from a major organisation including an executive car.

Please contact the Company's adviser, Peter S. Findlay, Senior Consultant, Cripps, Sears & Associates Limited, (Personnel Management Consultants), 88-89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701.

Cripps, Sears

A challenging new role for a Commercially Minded Accountant...

Berkshire **c£20,000 + benefits**

Our client is a U.K. based management company recently established to service the commercial interests of an exciting international joint venture between two leading companies in the aviation industry. The company is involved in all aspects of the venture and support is provided by an established world wide network. Aspects include the manufacturing, marketing, technical and customer support operations.

An opportunity has now arisen for a highly professional accountant to co-ordinate the financial management and reporting of this venture. Responsibilities will include cash flow and financial modelling, budgeting, and both management and statutory accounting.

Reporting at senior level, you will be required to work independently, identify priorities and relate closely with management in all disciplines. Some overseas travel is anticipated.

Candidates, aged 26-30, will be ACA/ACMA's, preferably graduates, with a minimum of 2/3 years broad based experience in a hi-tech environment. An in-depth knowledge of micro-computer applications, especially modelling, is essential.

Applicants capable of meeting the requirements of this responsible, demanding and high profile role will be offered a highly attractive salary package. Candidates should write to Nick Baker FCA, Executive Division, enclosing a comprehensive C. V. quoting ref. 211, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

GROUP FINANCIAL CONTROLLER

London **c.£18,000 + Car**

Our client is one of Europe's leading and highly successful foreign language publicity and publishing organisations.

They are now keen to appoint a senior financial executive, who will assume total responsibility for the finance and adminstration function. The successful candidate will also play a major role on the appraisal and development of new business ideas and ventures.

Candidates for this appointment will be ambitious qualified accountants aged in their 30's, who have a minimum of 3 years post qualification experience gained in a highly commercial environment.

Written applications, in the strictest confidence, should be submitted to Neil Gillespie at our London address, quoting reference No. 5017.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

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Accountancy & Management
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DLA

Granada Group

Granada is a successful and expanding group of companies with a turnover of £750 million from a wide range of activities, including TV and video rental, television, leisure and motorway services.

Our Head Office, based in London, now has two interesting opportunities, with excellent career prospects afforded by our considerable growth and accelerating diversification.

Assistant to the Group Financial Controller
to £15,000 plus car

Assisting with consolidations and the preparation of periodic management accounts, the job offers the opportunity to cover the whole range of Head Office accounting, including budgets and forecasts, taxation and treasury. Of particular interest will be the appraisal of operating company trends and longer term financial reviews.

The ideal candidate will be mid-twenties, qualified or finalist in ACA, ACCA or ACMA with industrial/commercial experience.

Systems Audit Controller
c £17,000 plus car

Heading a department of three and reporting to the Group Financial Controller, the principal duties involve the critical review of Group systems and procedures within the UK, but emphasis will also be placed on special accounting projects and investigations including potential new business opportunities.

The ideal candidate will be around 30, ACA/ACCA, with several years internal or professional audit experience, plus a thorough knowledge of computerised systems and controls and experience in financial appraisals.

In both cases, the package is supported by generous pension and life assurance schemes.

Please send your curriculum vitae to Richard Simpson, Group Personnel Executive, Granada Group plc, 36 Golden Square, London W1R 4AH.

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an Equal Opportunity Employer

GRADUATE ACA/CONFIDENT FINALIST

EUROPEAN TRAVEL **PACKAGE c£17,000**

A recently qualified ACA or CONFIDENT FINALIST OF THE HIGHEST CALIBRE is sought by our client, an international group of COMMODITY MERCHANTS based in London.

A good communicator in the probable age range 22-27 with a strong professional background, the successful candidate will join a small team of MANAGEMENT INVESTIGATORS visiting locations in HOLLAND, FRANCE, GERMANY, BELGIUM and the U.K. with future promotion possibilities based here or in EUROPE or SOUTH AMERICA.

Candidates must have a basis in French on which they are willing to improve.

Please telephone and send C.V. to:
GEORGE D. MAXWELL
Managing Director
Accountancy Appointments Europe
1-3 Mortimer Street, London W1
Tel: 01-580 7695/7739 (direct)
or 01-637 5277 (12 lines)

Accountancy Appointments Europe

Chief Accountant

c. £20,000 + car — Rural Midlands

Our client is a profitable and soundly based UK manufacturing group. This key appointment is to head the accounting function of its largest division, with a turnover in excess of £100 million.

Supported by a staff of around 40, the Chief Accountant will be responsible to the Finance Director for the efficient management and development of accounting systems of the division. A multi-terminal computer network, currently being introduced, will be fully operational within eighteen months.

Candidates, aged late 30's or early 40's, should be qualified accountants, ideally CA's. An industrial background is preferred, but of paramount importance is a highly professional approach to the timely delivery of accurate information, based on thoroughness and a good attention to detail.

A competitive salary as indicated: profit sharing scheme: other attractive benefits including relocation help where appropriate.

Please write – *in confidence* – stating how you meet our client's requirement – to R.A. Crosby ref. B.25052.

This appointment is open to men and women.

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HAY-MSL
MANAGEMENT SELECTION

Financial Management Publishing
to £25,000 + Car

Established in 1981, our client is a specialist publishing and information organisation. With a turnover approaching £2 million the rapidly developing company is intending further expansion internationally both through acquisition and the introduction of additional products and services.

Acting as the financial support to the Managing Director, the successful applicant will be involved in all aspects of the business. Supervising a small department, including the computer function, he or she will be responsible for and develop management information, budgets and plans and will manage the company's resources. Projects will include acquisition evaluations worldwide and the position's responsibilities will necessitate close contact with the company's clients and advisers.

Aged 28-35, applicants should be qualified accountants, ideally with commercial experience. Please write, enclosing a career/salary history and day-time telephone number to David Hogg FCA quoting reference I/2283.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).

ff
faber and faber

FINANCIAL DIRECTOR

Faber and Faber (Publishers) Ltd require a Finance Director to take responsibility for the financial affairs of the Company and of its trading subsidiaries which publish both books and music.

We are looking for a qualified accountant with first-class financial skills and a lively interest in the Arts. Experience in publishing would be an advantage.

This is a challenging opportunity for the right person to work in a developing group as a key member of a small management team.

Please apply to:
Matthew Evans · Chairman
Faber and Faber Ltd
3 Queen Square · London WC1N 3AU
Telephone 278-6881

GROUP INTERNAL AUDITOR

The Albert Abela Group of Companies requires a Group Internal Auditor to be responsible for implementing and maintaining an effective internal audit service for its European, North American and South American operations.

The successful candidate, who must be fluent in English and Spanish, will have an appropriate professional qualification in accountancy and/or internal auditing and will have had at least five years' experience in internal auditing at a senior level in a large company. The job involves an extensive travel programme from a London base.

A generous salary package is envisaged.

Please apply in the first instance in writing with full personal details and career history to:

Mr. T. Monckton
Personnel & Administration Manager
ABELA MANAGEMENT SERVICES S.A.
Melrose House, 4/6 Savile Row, London W1X 1AF
(No Agencies)

Accountancy Appointments

Enterprising Accountant...
who can improve on excellence

25-28 £21,000 – £23,500 to start

Pedigree Petfoods is renowned for the control and management of its finances and resources to achieve a remarkable business performance. Yet, although our systems and practices are among the finest in industry, we know there is always room for fresh minds and sharp brains to evolve even better ways and means in this highly competitive business.

We need that rare breed of accountant who will get out from behind the desk and around the plant: influencing change to benefit the business and picking up opportunities for improvement in data or systems.

You will meet up with highly motivated, commercially-aware managers who, at every level, will have their own well-formulated ideas. Your contribution must be exceptionally astute, your arguments powerful, your presence stongly felt and welcomed.

So, in recruiting a new Accountant for the largest canning factory in Europe, we will be looking for more than just someone who can generate information through a well-organised support team.

You will be responsible for the accounting, evaluation and financial control of all manufacturing operations. The right accountant will also grasp the opportunities offered by this highly visible job to make a firm impression on the Company, so paving the way for career development which can cross the boundaries of the accounting function and extend across the Mars Group in the UK and overseas.

You should be fully qualified (preferably a graduate) with about two years' post-qualification experience, in which you will have demonstrated the ability to create and manage change in an industrial or commercial environment.

Excellent remuneration is backed by generous non-contributory benefits plus, if appropriate, assistance with relocation to the attractive rural East Midlands.

For more information, and an application form, please telephone Howell Wilson-Price, Management Development Officer, on 0664 64171, ext. 3034. Do not send a cv at this stage. Pedigree Petfoods, National Office, Waltham-on-the-Wolds, Melton Mowbray, Leicestershire LE14 4RS.

We are an equal-opportunity employer.

Pedigree Petfoods

Pedigree Chum Whiskas Kitekat Pal

Financial Controller
Quality Fashionwear

West End *to £20,000*

This is the Senior Financial appointment of an £8 million UK company, part of an internationally known design and retailing business, well respected for its style and flair.

The principal task is to improve the frequency and quality of reporting by reviewing present methods and implementing computerisation. Working with the London General Manager and European Controller, there will be considerable involvement in the introduction of a real time POS System. Occasional travel, usually linked to the introduction of new procedures, may be necessary.

The need is for an energetic accountant, probably Chartered or Certified and aged at least 30, who has worthwhile experience of systems development and who can control an accounts function whilst working strategically with management. Retailing experience would be a distinct advantage.

Please reply to Martin Manning in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 1426/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

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Dixons
Group Financial Executive

N. London c.£19,000+car

Exceptional profit growth and the successful acquisition of Currys has brought the market capitalisation of this dynamic and rapidly expanding group to over £500m. Sales turnover per annum is in excess of £750m. and the group now trades out of nearly 850 outlets. The Group Financial Controller now wishes to recruit additional Group Financial Executives to strengthen the holding company financial function.

The corporate staff is a small, tightly run team, standard accounting matters being largely decentralised. This high-profile position therefore requires flexibility and will entail close liaison with subsidiaries in financial and management control matters, financial analysis and biannual consolidations as well as assisting the Controller with his broader responsibilities.

The emphasis is strictly on the non-routine and some overseas travel can be anticipated. Success in this role should lead to a senior line appointment in one of the subsidiary companies.

Candidates should be graduate chartered accountants of outstanding intellectual calibre. Some worthwhile post qualification experience would be of value. Personal qualities must include drive and evidence of clear, quick and innovative thinking. Likely age range 25-32.

The package will include a car, share option scheme and assistance with relocation.

Please write with c.v. to Christopher S. Bainton, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD quoting reference D2508/L.

PEAT MARWICK

The Welsh Development Agency is charged with the task of helping to regenerate the economy in Wales and to improve its environment. It promotes Wales as a location for investment, provides finance for industry, owns and develops industrial estates, reclaims derelict land and provides advice to the business sector.

Senior Investment Analysts
Cardiff & Wrexham
£12,189 to £13,422
Ref 85/5

Continued rapid growth in the Agency's Venture Capital activities has created these challenging positions for Investment Analysts.

Your role will be to assess general investment enquiries, carry out all investigatory work and submit recommendations on viability and format of investment packages. This will include outside sourcing, on-going monitoring of company performance and sourcing of additional funds. Potential OTC, USM, or LSE listings will be involved.

Candidates ideally aged 25-35, should be qualified accountants with corporate finance experience or business graduates/MBAs with some experience within the financial sector. These positions offer real scope for professional development within a varied and demanding consultancy role.

Internal Auditor
£12,189 to £13,422
Ref 85/6

A new post created to meet the challenges of an expanding function within the Agency. The person appointed will be responsible for a wide and varied range of audit investigations including special assignments, and will assist the Chief Internal Auditor in the running of the Department. They will also be actively involved in the development of the computer audit function.

The successful candidate will be a qualified accountant who possesses a sound operational approach, good communicative skills and is free to travel throughout Wales. Previous computer audit experience would be a distinct advantage.

Accountant
(Systems and insurances)
£10,959 to £11,883
Ref 85/7

A vacancy exists for an Accountant in the Central Finance Department at Treforest, near Cardiff. The person appointed will assist in the design, implementation and maintenance of in house computer and financial systems, drafting of procedural handbooks and the management of insurance matters. Preference will be given to fully qualified accountants with relevant experience. However, if you believe that you have the required experience but are not qualified, we would still be pleased to hear from you.

Salary will be in the range quoted above with six weeks annual holiday in addition to public holidays. There is a contributory pension scheme and car user allowance. Relocation expenses will be given where appropriate.

Applications for these posts are invited by 1st March 1985 (closing date).

Please write or telephone for an application form quoting the relevant reference number.

WDA
Welsh Development Agency

John Morley, Pesonnel Department
Welsh Development Agency
Glantaf House, Treforest Industrial Estate
Pontypridd, Mid Glamorgan CF37 5UT.
Telephone: Treforest (044 385) 3571.

Divisional Finance Director
for Europe's largest printing group c.£25,000 plus benefits

An ambitious, commercially orientated Accountant is required to join the London based management team responsible for a group of printing companies with a combined turnover exceeding £100 million. The successful candidate must be able to demonstrate the ability to keep tight control over the financial administration of the companies but equally important is the ability to contribute to their profitable expansion. Working with the Divisional Chief Executive, you will monitor current performance and be closely involved in the decision-making process on future strategy. Candidates must be able to demonstrate a track record of personal achievement and commitment to profit improvement; accountants without strong commercial and managerial experience will not be considered:

The necessary qualities will include:

- Several years' experience at a senior level within industry preferably, but not necessarily, in the printing or communication field.
- A well developed commercial aptitude and sound business sense.
- The capacity to work under sustained pressure and motivate others accordingly.
- The ability to maintain tight control on operations and their capital employed by internal control systems.
- Experience of dealing with senior staff and strong inter-personal and communication skills.

Prospects for future advancement within the BPCC Group are exceptional. The successful applicant will be rewarded with an attractive benefits package appropriate to the seniority of this post. Candidates who are confident that they can satisfy the above requirements – and if you have doubts you will almost certainly be wasting your time and ours – should send a short c.v. to Andrew Browne, Deputy Finance Director,

The British Printing & Communication Corporation plc

Maxwell House, 74 Worship Street
London EC2A 2EN

(No agencies will be considered)

Strategic positions in Industrial Finance

Our client a subsidiary of a leading electronics group, is a market leader in the design and manufacture of high technology communications equipment. It has a workforce of 2,200 employees and an annual turnover in excess of £85 million. Two vacancies arise as a result of a restructuring of the Finance Function.

Financial Accounting Executive £16 – £19,000 plus car

Reporting to the Director of Finance, the successful candidate will be responsible for the provision of monthly management and annual statutory accounts, payroll, financial control, and interface with internal and external audit. It is likely that this position will appeal to candidates who wish to move from a professional practice into industry.

Financial Planning Manager £16 – £17,000 plus car

This is a key role with responsibility for advising operations management on the financial implications of business decisions. In addition the successful candidate will be responsible for forecasting, pricing, new product profitability planning and capital investment appraisal.

Both of these strategic positions will receive considerable exposure within a fast moving environment. As a result our client is looking for graduate qualified accountants of a high calibre in the age range of 27-35 who have both the technical skills and personality capable of producing results. In addition to an attractive salary and benefits there is considerable scope for career development within the group.

Confidential Reply Service: Please write with full CV, quoting reference 1928/JS on your envelope, listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment, 30 Farringdon Street, London EC4 4EA.

CHARLES BARKER
ADVERTISING·SELECTION·SEARCH

Christie's Contemporary Art

Company Secretary/ Financial Controller

for a small but rapidly expanding company, founded in 1972, with galleries in London, New York and Tokyo. Christie's Contemporary Art is Europe's largest publisher of lithographs, etchings and other graphics, which are sold through their galleries or by Mail Order to the public, other art dealers or corporate buyers.

Reporting to the Managing Director and the Board, you will become a key member of the management team with the overall responsibility for accounting, secretarial matters and general administration. Initial priorities include the development of computerised procedures and the improvement of management information systems. This is a newly created post which offers the opportunity of involvement in the management of the company as a whole.

You are a chartered accountant, or chartered secretary with a strong financial background, ideally in your late twenties or early thirties. Your commercial experience should be broad and will probably have been gained in a small company. Your accounting skills must be second to none.

Location: London W1. Salary and benefits are for discussion according to experience.

Please write – in confidence – with full career details, including current salary, to Lesley Gifford ref. B.20156.

This appointment is open to men and women.

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HAY-MSL
MANAGEMENT SELECTION

OUTSTANDING ACCOUNTANCY OPPORTUNITIES
Attractive Salary plus Car

Our client is a major force in the Print and Communications industry and has experienced dramatic growth in the recent past, both organically and by acquisition. It is envisaged that this trend will continue. Expansion has necessitated the recruitment of two qualified accountants with commercial flair, in the age range 28 to 45.

FINANCIAL CONTROLLER Central London

Exciting opportunity with fast expanding City Printer poised for major market penetration.

DIVISIONAL CONTROLLER Luton area

A new position has arisen through the acquisition of a major printing company.

Key areas of responsibility will include:-

- the production of accurate management information to strict pre-established deadlines
- the maintenance and continued development of computerised accounting systems
- assisting the Managing Director in the commercial control of the operation

The personal qualities required are enthusiasm, adaptability and a pleasant but authoritative approach. Interviews will be held locally.

forsythe &kayee ACCOUNTANCY APPOINTMENTS
51a St. Paul's Street, Leeds LS1 2TE
Telephone: (0532) 450851

CHIEF ACCOUNTANT

N7 to £16,000

Main trading subsidiary of public company which is the largest supplier of meat to the catering industry requires Chief Accountant.

The company is currently installing an IBM 36 and the successful candidate should have a sound knowledge of computers as he/she will be expected to take an active part in its integration.

Please send cv to:

Mr. J. Lazarus, Pyke Holdings Plc
188 York Way, London N7 9AT

Accountancy Appointments

Financial Controller

c.£18,000+Car East Midlands

Do you want to develop your powers of leadership? If so this is an excellent career opportunity for an accountant with drive, ambition and ability.

This client is a rapidly expanding and very profitable subsidiary of a quoted industrial group operating in the highly competitive mechanical engineering contracting field. Significant investment in advanced manufacturing equipment and systems is being made to support the high level of engineering skills in the business and to expand the market share.

As a new addition to a go ahead management team, the financial controller will be responsible for detailed day to day financial controls and accounting, fast and accurate management information, business planning, pricing and direct involvement in contract negotiation.

Experience of introducing new computerised accounting and control systems (including standard costing) is required together with the resilience and drive to develop and maintain the momentum of change.

If you are a qualified accountant aged 28-32 and enjoy working in a challenging environment please apply, quoting ref. L 159 to:

Chris Haworth
Mason & Nurse Associates
1 Lancaster Place, Strand,
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

Treasurer

London W1, c£30,000

C&L

Octopus Publishing Group plc wish to recruit a Treasurer who will report to the Group Financial Director and be responsible for the efficient utilisation of the Group's borrowing facilities and short term funds.

You should have extensive knowledge of the money markets and of foreign exchange dealings and have the capacity to organise and/or improve information flows throughout the Group in these vital areas. Preferably, therefore, you should have an accountancy background with subsequent experience in an environment demanding frequent access to financial dealing centres, and investment institutions.

A package of around £30,000p.a. is offered with attractive other benefits. The appointee will be located at the Group's Head Office in London W1.

Résumés, including a daytime telephone number to John Robins, Executive Selection Division, Ref. R258.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

Financial Director

SOUTHEND AIRPORT, ESSEX

up to £25,000 + CAR + Travel benefits

We are a dynamic, fast growing and profitable charter and commuter airline based at Southend Airport. Turnover in the last 2 years has grown from £5m to £18m and is expected to be in the region of £25m for the current financial year. As part of a small but highly professional management team, the Financial Director will be required to appraise operational activity, direct strategy and implement new and cost effective systems.

The successful candidate will be a qualified Chartered Accountant aged between 28-35 years with at least 5 years' post qualification experience in industry/commerce. An assertive, positive and energetic approach is essential in *order to make a substantial contribution to corporate growth* and development.

An attractive remunerative package is offered with opportunities for travel through the Group's interline facilities.

Interested applicants should write to the Managing Director, Box A8908, Financial Times, 10 Cannon Street, London EC4P 4BY.

Challenging Opportunities for Accountants in Saudi Arabia

c.£27,200 tax-free

The National Guard King Khalid Hospital has earned a reputation *throughout the Middle East as one of the finest healthcare centres.*

The hospital is managed by the British based International Hospitals Group (IHG) in liaison with the British Government and in association with IAL.

The sheer size of the project has warranted a large scale fully computerised accountancy system controlled by highly qualified professionals. At present we have the following opportunities:

Treasury Accountant

The Treasury Department handles the financial transactions for this sizeable complex dealing with Petty Cash, Cheque Payments, Payroll Payments, maximising interest earnings and collecting receipts as well as preparing the material for cost plan input, monthly accounts and weekly cash balances.

Our Treasury Accountant should have an accountancy qualification and at least 6 years experience. Ref. M229/01.

Purchasing and Supplies Accountant

Purchasing supplies for the hospital is a large scale operation requiring an experienced accountant to handle a computerised Purchase Ledger System and to control the payment of suppliers.

In addition you will have the responsibility for preparing import documentation and management reports as well as calculations as to the pre-payments and accruals for purchased items.

You must be a Business Studies graduate or have an accountancy qualification and have 6 years general accountancy experience including experience of purchase ledger work and computerised systems. Ref.M229/02.

What you would earn with IAL

The figures quoted are based on a salary of SR100,000 (c£25,125) at a conversion rate of SR3.98=£1 which includes a bonus of one month's salary for every 12 months satisfactory service which is paid as a tax-free lump sum at the end of your time with IAL in Saudi Arabia.

Apart from valuable experience of large project accounting, you will also gain financially from the tax-free salaries and from the package of free benefits. These include free accommodation, 49 days leave, return flights to the UK, life assurance and free medical cover.

The hospital has an on-site supermarket, shops, restaurant, cafe, library and cinema plus a swimming pool, gymnasium, games room and tennis courts. Also available at the hospital's private beach, are windsurfing, sailing and scuba diving.

For more information please contact The Recruitment Officer quoting the appropriate reference.

IAL
Medical Services
Manpower Services

Aeradio House, Hayes Road, Southall,
Middlesex, UB2 5NJ Telephone: 01-574 5432.

A MEMBER OF THE STANDARD TELEPHONES AND CABLES PLC GROUP

Finance Directors

To £20,000 plus car • Specialist Engineering

Our client, a well established £multi-million group of specialist engineering companies, requires two Finance Directors to join key divisions within the *organisation.*

Based in Yorkshire and reporting to the Group Finance Director the successful candidates will be responsible for recommending, installing and improving accounting policies, plans and procedures whilst managing significant financial functions.

Applicants, aged 28-40 and with significant experience in a manufacturing/engineering environment will be highly motivated accountants with a high level of initiative together with the communication skills required to successfully influence top management.

The remuneration package will be in the range £18,000 to £20,000 (including bonus) and will depend on experience and specific post. A car is provided together with the usual large company benefits including relocation assistance where necessary.

Please send full career details, together with *current salary, or apply for an application* form to: **Tim Harney,** *ref: AA97/9150/FT.*

PA
PA Personnel Services

Executive Search · Selection · Psychometrics · Remuneration & Personnel Consultancy

Norwich Union House, 73-79 King Street, Manchester M2 2JL.
Tel: 061-236 4531.

COMPANY SECRETARY/ ACCOUNTANT

c. £25,000 & Car

An expanding Lloyd's Managing Agency is looking for a young FCA *with Panel Audit or Underwriting Agency experience.* Prospects are excellent.

For further information please contact:
Mr D. R. Whately
WHATELY PETRE LIMITED
Executive Selection
6 Martin Lane, London EC4R 0DL
Tel: 01-623 9227, quoting Ref No: 608

WPI

FINANCIAL PLANNING

A market leader in the design and manufacture of high technology communications equipment is seeking a Financial Planning Manager to play a key role in advising operations management. Responsibilities will include forecasting, planning, pricing new products and capital expenditure appraisal. Suitable candidates, aged 27-35, will be qualified accountants with substantial relevant experience. The company in return offers considerable scope for career development. Ref: JG.

ESSEX £17,000 + Car

SENIOR ACCOUNTANT

A worldwide group in the decorative business offers an excellent opportunity for a high calibre accountant to join its management services team. This financial role will involve monitoring and reporting on the activities of U.K. and overseas operations and has the added attraction of occasional overseas travel. Co-ordination of planning, statutory reporting, performance versus budget reviews and numerous special exercises combine to make a very attractive position. Outgoing Chartered Accountants with 2 years PQE are preferred. Ref: SW.

C. LONDON £16,000 + Car

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
ROMAN HOUSE, WOOD STREET, LONDON.
EC2Y 5BA 01-638 5191

Chief Financial Executive

London ***c£27,000pa+car etc.***

Our client, Lyon Holdings Ltd was founded with the corporate objective of establishing a group of small and medium Lloyds broking firms with specialised skills and interests to meet the insurance and reinsurance needs of clients worldwide.

Reporting to two Main Board executives, the successful applicant will assume full responsibility and control for the group's finance function which is in a developing situation. This will involve regular financial reporting and maintenance of relevant services to ensure the smooth running of the group.

Candidates aged 30 to 45 must be Chartered or Certified Accountants. It is expected that they will offer sufficient knowledge and experience of accounting functions and related responsibilities including DP systems in the context of a group of Lloyds insurance brokers.

In addition to salary and benefits, this appointment offers a distinctive opportunity for both personal and career development including a main board appointment within two years for the right applicant.

Please write in confidence quoting reference MCS/7158 and requesting a personal history form. to Michael R. Andrews, Price Waterhouse Associates, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Business Needs Experts.

FINANCIAL DIRECTOR

Firth Carpets West Yorkshire

c£23,000 (inc bonus) + Car

Firth Carpets Ltd has a first class reputation as a successful manufacturer of high quality carpets. Turnover is currently £24m and the company is a major subsidiary of Readicut International PLC.

The position requires a qualified accountant with commercial flair and all round technical skills.

You will presently be a Financial Director/Controller of a manufacturing company (ideally textiles) seeking an opportunity to develop further in a profitable company.

Key areas of involvement are:-

- Policy and decision making at Board level.
- Production of computerised management information to strict reporting deadlines.
- Management and leadership of staff.

An attractive salary and benefits package is offered in addition to relocation expenses where appropriate.

Candidates ideally aged 35 to 45 should apply in the first instance to:-

forsythe & kayee
ACCOUNTANCY APPOINTMENTS
51a St. Paul's Street, Leeds LS1 2TE
Telephone: (0532) 450851

OPERATIONAL REVIEW

Accountants - make your career move into a major food company

West London **Up to £17,000+car**

Our clients are the £700 million foods division of one of the UK's largest and most successful groups. They market a diverse range of nationally known branded consumer products as well as operating a major chilled food distribution division. The organisational environment is dynamic and progressive, demanding a high degree of sophistication.

Following a major review of the Finance division, a new Business Administration department is being set up with a remit to conduct in-depth reviews of the whole range of management and administrative processes, across all functions of the business, making recommendations to Board level.

Opportunities exist at several levels. The remuneration package will be tailored to attract the highest calibre people to fill these demanding roles.

Realistic candidates will be aged 24-30, qualified – ACA or equivalent – and have experience with one of the major professional firms or exposure to a commercial/industrial, big company environment. They will have the ability to seize what is a unique opportunity and the potential to develop considerably further in the various divisions within this major organisation.

Please write, in confidence, with concise details of career to date, stating any companies to which your application may not be sent, to: Peter Tydie, Account Director, (Ref: 327).

WBH *whites bull holmes ltd.*
P.O. Box 275, 63 St Martin's Lane, London WC2N 4JX

CORPORATE FINANCE

CHARTERED ACCOUNTANT

c£16,000 + BENEFITS

We are a medium-sized firm of London Stockbrokers with a growing Corporate Finance Department currently based on the London market.

We are seeking a young Chartered Accountant to fill a vacancy in the Corporate Finance Team. The work of the Department covers the full spectrum of corporate advice and the successful applicant will become involved in capital raising, public flotations, USM listings, venture capital investments, acquisitions and mergers, etc.

Candidates should have a good professional background, the ability to learn new disciplines quickly and the potential to undertake early responsibility. Experience of small company work would be an advantage but previous Stock Exchange experience is not essential.

Applicants should write with a curriculum vitae for the personal attention of the Senior Partner.

Write Box A8907, Financial Times
10 Cannon Street, London EC4P 4BY

WORLD WIDE EDP AUDITORS

American Express International Banking Corporation requires a number of EDP Auditors to join their international Audit Department.

Responsibilities will include review of computer installation security procedures, evaluation of computer system internal controls, development of software for both EDP and *financial audits as well as close involvement* with financial audits of branches which use computerised systems.

The positions require detailed knowledge of data processing, preferably gained in a banking or financial environment. Applicants should have at least four years' programming and systems analysis experience preferably including a working knowledge of Honeywell (DPS Series) and IBM hardware sytems. Experience of advanced data processing techniques including real time or data base systems and of other manufacturers' hardware would be an added advantage.

Successful candidates will be offered very competitive salaries and first class fringe benefits. These positions are based in London but applicants must be prepared to spend a considerable amount of time abroad.

Please write, giving details of career to date, to:—
Mrs. W. M. Weguelin,
Assistant Vice-President—Personnel,
AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION,
30 Monument Street,
London EC3R 8LH.

AMERICAN EXPRESS

Accountancy Appointments

CONSTRUCTION INDUSTRY

Our client, a leading construction company in the thermal insulation sector, requires the services of two qualified Accountants to complete the restructuring of its Head Office accounting function.

Financial Controller

c.£20,000 **Age: 30-45 years**

Reporting to the Financial Director, a pre-requisite for this position will be a background of senior financial management, preferably in the contracting industry. You will, in addition, have:

- ★ Financial maturity with a strong, tactful personality.
- ★ Sound administrative ability of accounting disciplines.
- ★ Ability to provide reliable and meaningful management information.
- ★ Initiative and good communicative skills.

You will be supported by a strong management team but will be required to demonstrate in a responsible manner your ability to manage effectively at an early stage. Occasional travel will be required and a company car is provided for both business and private use.

Financial Accountant

c.£15,000 **Age: 27-35 years**

Reporting to the Financial Controller you will already have demonstrated your ability to master the fundamental skills of a demanding business, preferably in the contracting field.

You will also have the ability to:

- ★ Prepare, consolidate and interpret monthly management accounts to tight deadlines.
- ★ Assist in the finalisation of company statutory accounts for the half-year and year end.
- ★ Prepare taxation schedules and liaise with Auditors.
- ★ Assist with the preparation of budgets and business plans.

Both positions offer excellent opportunities for advancement plus a highly attractive remunerative package, including five weeks' holiday, contributory pension scheme and, for suitable candidates, a substantial relocation package is available.

Please reply in complete confidence enclosing full curriculum vitae naming concerns to whom your application should not be forwarded to:

(Ref: 13/FT) Gordon F. Vivian, Executive Director,

Gill, Richard Johnson Associates

3 Henrietta Street, Covent Garden, London WC2E 8PQ.

Financial Controller/ Company Secretary

c.£20,000 p.a. + benefits

A small, successful precision engineering company based in South East London needs a qualified accountant (FCA) with direct experience of costing procedures, preferably obtained in a manufacturing environment.

It is the company's intention to seek a Stock Exchange listing in due course and also to offer a Board appointment to the Financial Controller/ Company Secretary after a satisfactory trial period.

A knowledge of mini-computer based accounting systems would be a particular advantage.

Candidates, probably over 50, should write enclosing a curriculum vitae to: Jenny Riley,

Onslow Associates,
21 Cleveland Place, London SW1Y 6RL.

All positions advertised by Onslow Associates are open to both men and women.

ONSLOW

DIRECTOR

We are probably the leading recruitment consultancy in the country in both the insurance and shipping industries. However, in line with our group policy, we are seeking to expand our recruitment activities, particularly in general commerce, industry and the acountancy profession.

If you are the best and most successful recruitment consultant in your company with good standards of ethics, you could become a director within this organsation— one of the most exciting in the City of London.

A first class salary is envisaged, with immediate high profit-share payments directly related to performance together with other benefits.

If you have the ambition, qualities, experience and with income sights well in excess of £20,000 per annum then call Trevor James FECI, group chairman, or Brian Mills, managing director, on 01-481 8111 for a strictly confidential discussion.

TPS GROUP

TREVOR JAMES
MANAGEMENT LIMITED
01-481 8111

CHIEF ACCOUNTANT

COMMODITIES **£ negotiable**

As a rapidly expanding international commodity broking company, we are now recruiting a qualified Accountant to head our Accounts Department. Responsibilities will include day-to-day administration of the Accounts Department, in addition to the preparation of monthly/year-end accounts.

A qualified accountant is required, preferably with experience in the commodities field, with the personality to integrate within and lead an Accounts Department.

In addition to a career in the exciting world of commodities, limited only by one's own ability, we offer a very attractive remuneration package.

In the first instance please send full c.v. to

Janet Tilton
GERALD METALS LIMITED
Europe House, World Trade Centre,
St. Katharine by the Tower, London E1 9AA

Chartered Accountant

PA to Finance Director

City **to £25,000 + benefits**

For a young and expanding investment bank which enjoys a leading position as an international underwriter and has a strong record of profitable growth. The bank is well placed to respond to the changes taking place in international financial markets and within the securities industry in the UK.

In this new position you will report to the Director of Finance and Operations and as part of a small team you will be involved in all aspects of the finance function. You will be particularly concerned with planning, management information and budgetting as well as carrying out 'ad hoc' projects of a specialised nature.

Probably in your late 20s or early 30s, an accounting qualification is essential. Ideally you will already be working in international banking or in financial services but you could also be at a senior level in the profession with a good understanding of this specialist sector. Above average technical skills, enthusiasm, and the ability to communicate well are essential attributes and there are excellent prospects for career progression. Generous fringe benefits will include a subsidised mortgage and company car.

Write in confidence to John Cameron, quoting ref. C369, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

Financial Analysts

age range 24-30

West London **c. £18K + 2 litre car**

Our client, a market leader in consumer products, has a £300m. turnover and is a significant profit centre within a large U.K. group. As a result of wide ranging strategic review the operation is committed to further planned expansion, both of product range and market share. The recently appointed Finance Director now seeks several exceptional individuals who will make a major contribution to business planning and control.

You will be responsible for all aspects of financial reporting and analysis, the enhancement of financial management and the development of accounting and control systems. Because these are new appointments personality and professionalism are key qualities and a background in marketing or distribution would be advantageous. You will be assertive, self-motivated, highly numerate and able to liaise effectively with a wide range of financial and non-financial management.

Candidates must be qualified accountants (or possibly MBA's) with a record of achievement to date. Personal qualities appropriate to early development in operational management should also be self evident. Remuneration is geared only to the most able and will include a fully expensed 2 litre car. Salaries are pitched at around £18K.

For a full job description write in confidence to Mark Lockett at Mark Lockett Recruitment, Selection Consultants, 104 Marylebone Lane, London W1M 5FU (01-486 5282) showing clearly how you meet our client's requirements, quoting ref. 9086/FT.

Both men and women may apply.

MLR
in association with
John Courtis and Partners

Financial Controller

N W London **To £18,000 + car**

This company which offers consulting services to the oil industry is about to undertake a period of planned expansion both in this country and overseas as part of an international group. Turnover in the UK is well over £1 million, and is increasing rapidly.

They are now seeking a qualified accountant to strengthen the management team internationally and in the UK. The Financial Controller's functions will be twofold. Firstly working closely with the Chairman of the international group on developing the group's strategic plans, and monitoring the performance of all companies. Secondly to be Financial Controller of the UK company, with total responsibility for all financial and management accounting.

Applicants should be qualified accountants in their late twenties or early thirties with an appetite for hard work, and the ability to relate to people and explain financial ideas to non-accountants. They should be willing to spend about one third of their time visiting overseas subsidiaries. Experience in implementing accounting systems on micro computers is desirable.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2241 to W.L. Tait, Executive Selection Division.

Touche Ross & Co.
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Group Finance Director

West Midlands ***c£25,000 + car***

Our client is a well established distribution and manufacturing group with subsidiaries in the UK and overseas and a turnover approaching £30m. Following a period of steady growth, the Group is poised for further expansion and plans a USM listing in the near future.

The Group Financial Director will have complete responsibility for managing and developing all finance and data processing activities with a staff of approximately 20. In addition, he/she will be expected to work closely with the Board and to contribute significantly to the Group's overall management—this will include advising on investments, acquisitions, diversifications and funding requirements.

The successful applicant will be a qualified accountant in the 35-45 age range with considerable financial management experience, which should have included responsibility for data processing, overseas operations and treasury management activities. Ideally this experience will have been gained in a manufacturing/distribution environment. Familiarity with all aspects of UK accounting and taxation requirements is essential. Considerable emphasis will be placed on personal qualities — a strong commercial approach and an ability to contribute to the Group's overall development.

This is an exceptional career opportunity for an ambitious and talented financial manager with the potential and ambition to move into a broader senior executive role. The attractive, negotiable remuneration package reflects the importance the Group places of this appointment.

Candidates should write, in confidence, enclosing full career details to Jerry Wright, Executive Selection Division, Price Waterhouse Associates, Livery House, 169 Edmund Street, Birmingham B3 2JB (Telephone 021-236 5011). Please quote reference MCS/8521.

Price Waterhouse
Business Needs Experts.

Financial Director

Consumer Electronics

West London **c.£27,500 + car**

An industrial holding group with an enviable record of expansion, is seeking a Financial Director for a substantial consumer electronics company, recently acquired via a takeover bid. The company is long established and its products are familiar in high street retailers. The acquisition is seen as spearheading the group's commitment to diversification into higher technology areas, maintaining but broadening its electronics' base.

Key tasks will be to strengthen controls, to implement an effective management accounting system and financially evaluate all areas of the company's activity.

Reporting to the Managing Director, the successful candidate will be a member of a resourceful, professional management team.

Qualified, commercially aware accountants in their early to mid thirties with manufacturing experience and a demonstrable record of achievement are invited to apply.

Please write in confidence, enclosing career details and quoting reference 5452/L to Valerie Fairbank, Executive Selection Division, Peat Marwick Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

PEAT MARWICK

Financial Director Designate

South West England **c.£20,000+car**

Our client is a well-established service industry and manufacturing organisation, with a turnover of around £5m.

The first task for the financial director designate will be to organise the accounts department so that timely monthly management accounts can be prepared. As formal financial reporting improves, duties will extend to encompass all aspects of the financial management of the company.

The need is for a practical chartered accountant, preferably aged up to 40 with managerial experience of small or medium-sized manufacturing or service industry organisations.

This is a career post where a board appointment should be made after one year with opportunities for equity participation.

Interviews will be held in Devon and London.

Please write, in confidence, to Michael Ping enclosing a detailed CV, quoting reference F/145/P, Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

Financial Director

Circa £25,000 + incentive package

Our Client, a large and well-established Company, based in the West Midlands, is seeking an experienced qualified Accountant to take on the challenging role of Financial Director.

The Company, a market-leader in the fast moving consumer goods sector, has an impressive record of growth in recent years and is now looking to strengthen its Executive Team at the highest level.

Reporting to the Managing Director, the person appointed will have previously held a position of control in the finance function within a medium or large-sized manufacturing company, and possess the ability and personality to take full responsibility for all aspects of financial and management accounting.

It is unlikely that anybody under the age of 30 will have the necessary experience to meet the high demands of this post.

In addition to the attractive salary, the remuneration package will include an Executive-type car, pension scheme, BUPA membership and profit-sharing scheme.

Please write giving details of your career to date, quoting reference 63/6823 on both your letter and envelope, listing any companies to whom you do not wish your application forwarded, to:

Rosemary Elt, Director, Riley Advertising (Midlands & North) Limited, Riley House, Castle Bromwich Hall, Birmingham B36 9DX.

Riley

ABERDEEN BIRMINGHAM BRISTOL EDINBURGH GLASGOW LIVERPOOL LONDON MANCHESTER NEWCASTLE NOTTINGHAM PERTH

Confidential Reply Service
A member of the Rex Stewart Group

Chief Accountant

London **From £15,000 + car**

As a profitable and expanding International Group (t/o £10m) we require a Chief Accountant to assume responsibility for the financial and management accounting functions of our U.K. trading companies.

Reporting to the Group Financial Director, the person appointed will be directly responsible for the preparation of divisional management accounts together with the day-to-day running of a small accounts section and would be required to liaise with divisional managers in the review of results and in the preparation of budgets. Familiarisation with computerised accounting systems and the ability to meet strict deadlines as well as to motivate a small support staff are essential.

The successful candidate is likely to be aged 25 to 35, preferably a Qualified Accountant, with several years' commercial experience. There will be considerable opportunities for the person appointed to assume additional responsibilities as a result of the Group's anticipated growth.

Benefits include a non-contributory pension scheme (following a qualifying period).

A c.v. containing details of experience and present salary should be sent in confidence to Box A8898, Financial Times, 10 Cannon Street, London EC4P 4BY.

FINANCIAL / OPERATIONS CONTROLLER

CENTRAL LONDON **c. £20,000**

Our client is an expanding company, acting as financial and commercial managers and operators for numerous ship-owning, chartering and trading enterprises engaged in worldwide shipping contracts.

It is essential that the company recruits a skilled Financial and Operations Controller to its highly specialised team to sustain its growing overall administrative product geared to the needs of its clients.

The constantly fluctuating market demands that the successful applicant will be highly commercial, a skilled negotiator and fully versed in ship management, owning, finance and banking. He or she will be primarily responsible to Principals and will be a qualified accountant.

Only those with a proven track record should apply in confidence with full c.v. to Nicholas Hilton, Moore, Stephens & Co., St. Paul's House, Warwick Lane, London EC4P 4BN.

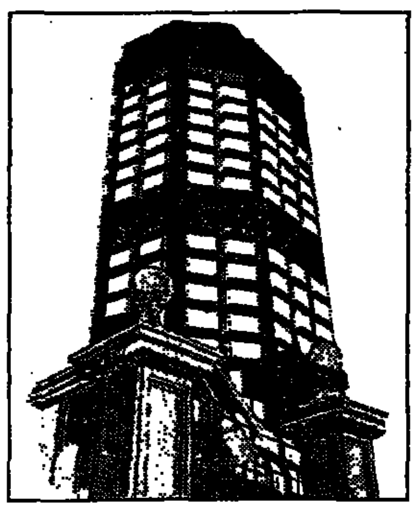
MS MOORE, STEPHENS & CO.

Accountancy Appointments

Auditing Analysts

The Morgan Bank is committed to excellence. We constantly seek to improve upon our own high standards, setting new levels of achievement in the financial world. Our auditing function takes a central role in the analysis of our business risk, and the creation and maintenance of more effective and efficient strategies, policies and procedures. Through the analysis of existing systems on paper and in practice, venturing into every area of our operations, auditing goes beyond primary accounting to serve as an internal business and systems consultancy.

The individuals to whom we entrust this critical area of management, who enjoy high visibility throughout the company, must prove themselves to be of the highest talents and professionalism. Analytic, incisive, adept accountants whose professional stature and personal integrity will guarantee their authority on our business operations. You will be fully qualified with a record of achievement in the profession.



Direct experience in banking or finance will be a definite advantage, as will familiarity with advanced data processing techniques. Your accomplishments to date will demonstrate that you are now ready for the challenge of this opportunity and that you are worthy of our high career expectations for you within the bank.

Naturally, for the right people, we are prepared to award a very generous salary, including a full range of benefits as associated with an international bank of our standing, including profit sharing, mortgage subsidy, non-contributory pension, and medical and life insurance plans. We also offer a generous relocation package, if applicable.

To take advantage of this first class career opportunity, please write enclosing full details to: Jim O'Donnell, Personnel Department, Morgan Guaranty Trust Company of New York, PO Box 161, 1 Angel Court, London EC2R 7AE.

"First class business and that in a first class way."

J. P. Morgan

The unparalleled professionalism of the Morgan Bank has won us international respect, and the clientele of many of the world's leading organisations. Our lead in corporate banking rests on an innovative approach which extends to every area of banking practice within Morgan. Our success is a reflection of the quality of the individuals who work for us, their progressive attitudes to our business and their enthusiasm for the company.

there can be no better environment to develop your career than...

The Morgan Bank

Tax Manager-Europe

Aged 28-33 — London — up to £30,000

Our client is a major international group, with operations worldwide.

The group are seeking a Tax Manager to head a department responsible for UK and European taxation matters. The appointment arises as a result of the promotion of the present incumbent.

Candidates will be qualified, commercially minded accountants with a strong personality. In addition to demonstrating excellent technical ability, particularly in UK Taxation, they will have acquired strong managerial and communication skills.

This appointment offers excellent promotional opportunities to a more senior taxation or broader financial management position within the group.

Interested individuals should telephone or write enclosing a CV and a note of their salary to:
Peter Flammiger, Director, Financial Management Selection Limited, 21 Cork Street, London W1X 1HB (Tel: 01-439 6911)

Financial Management Selection

ACCOUNTANT FINANCIAL

A medium-sized manufacturing company in Surrey seeks a *qualified* ACCA, ACA *or* ACMA to be responsible for preparing annual and interim accounts for consolidation into Group accounts. *He, or she,* will be required to assist in the preparation of monthly Management Accounts, annual budgets, profit forecasts, cash flow forecasts etc to include international inter-company reconciliations within the Group. The preferred age will be between 35 and 45.

Apply to Box A8900
Financial Times
10 Cannon Street
London EC4P 4BY

TAX MANAGER

West London — c £25,000 + car

Combustion Engineering Limited is the U.K. company of Combustion Engineering Inc., a profitable and diversified supplier of industrial products, software and services to the power generation, oil and gas, petrochemical and other basic industries.

We now need to appoint a Tax Manager to take responsibility for all aspects of taxation for the U.K. company and its subsidiaries and to assist with the management of European operations on a project basis.

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The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, February 28, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The advertising rate will be £37.00 per single column centimetre. Special positions are available by arrangement at premium rates of £44.00 per scc. Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

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THE ARTS

Miniatures, Fitzwilliam Museum/David Piper

Out of blind darkness

Two of the branches of painting in which the achievement of artists in Britain has so often been praised as supreme, tend tiresomely to be the most difficult for the average museum visitor to see at their best: the masterpieces, especially in landscape of the watercolour painters in the 18th and 19th centuries, and those of the portrait miniaturists. Both are especially vulnerable to over-exposure to light, though it is of course only by courtesy of light that they can be seen.

Normally they are kept blinded in the safe darkness of museum storage, to be consulted only by arrangement or exposed in brief temporary exhibitions and then shut away again—or, if they are on permanent exhibition, then so reduced by low light levels that the eye almost has to grope for them *in the dusk*. So it must be, if they are to survive for the fortunate and persistent few who manage to penetrate the recesses of the print rooms not open to the public.

Fortunately, British watercolourists were prolific. Here and there are always to be found temporary shows of work often of the highest quality but they may not be the ones you really wanted to see. Such a show is now on (till March 31) at the Fitzwilliam Museum in Cambridge: a selection from their rich holding to illustrate specifically the continual love affair of British artists (and their clients) with Italy. It includes first-rate work by J. R. Cozens, Wilson, Turner, Bonington, Sargent—even Ben Nicholson. This is an excellent example of the way curators can make the best of their closetted treasures for the public's pleasure and has been selected with sensitively critical discrimination and also with wit.

However, the real, unrepeatable opportunity at the moment at the Fitzwilliam, for some visitors, must be the almost complete display of the museum's collection of portrait miniatures, shown in light levels above those permissible for those fragile objects if shown openly year in, year out. You can actually see them, and such is their brilliance that you could be forgiven for believing they can see you. As the Fitzwilliam holdings of British miniatures are second in importance only to those in the national collection at the Victoria and Albert Museum, anyone fascinated by this elusive art should snatch at the moment offered (only until February 24); once it is over, the miniatures, or the best of them, will no doubt in due course reappear in their normal setting, glowing faintly in the mandatory penumbra down below.

"British," one says now, although the beginnings of the modern portrait miniature were shaped in this country by two immigrant foreignors: the Netherlander Horenbout and the great Holbein himself, who is said to have learnt the technique from Horenbout, probably in the late 1520s. Horenbout's famous miniature of the young Henry VIII is at the Fitzwilliam, showing him almost charmingly plump, far from that gross image in which Holbein was to fix him for posterity a decade later. The greatest of the Elizabethan painters, the Englishman Nicholas Hilliard, held Holbein's example "ever the best," yet distilled from the dense veracities beloved by Holbein delicate conceits that were both jewels and somehow also convincing essences of personal individuality, likenesses. His younger contemporary, Isaac Oliver, sustained the brilliance but adopted a more conventional modelling in light and shade. By half a century on, Van Dyck had set a rather different standard, though no miniaturist himself. In his life scale portraits he reconciled the stubborn individual topography of his sitters' faces (sometimes, it must be admitted, a bit flattered) with the newly relaxed elegance, the flowing silks and satins, of Charles I's ccurt.

Miniatures by Samuel Cooper (left) and Isaac Oliver of unknown women, and right, Lady Margaret Ley by Cooper, on show in Cambridge

Van Dyck's truest followers in the second half of the 17th century were miniaturists, rather than the lifescale painters, notably Hoskins and Samuel Cooper. Hoskins was known as the "Van Dyck in little," but it was Cooper who had an unmatched ability to produce (almost in the theatrical sense) characterisations that make the work of most of his contemporaries seem frozen by comparison. Within an oval no more than two or three inches, showing often no more than the head and shoulders, he recorded individuality in vivid life and idiosyncracy. His equivalent in prose was John Aubrey of the Brief Lives, but Cooper creates the impression too of fully rounded, complete characters.

The second great flowering of the miniature in Britain came in the second half of the 18th century. One major master looked back to Holbein rather than Van Dyck; John Smart registered his sitters in a clarity of definition that Holbein would have approved. The painters though who seem to have appealed most to high society were more generally in the Van Dyck tradition, considering him surely, as did Gainsborough, to "be of the company." The characterisations provided by such as Cosway, the Engleharts, the Plimers, for their clients are elusive, even wispy, heady visions of glamour into which the sitters' friends, relatives, lovers, could fit their own knowledge of a likeness. They are not set against an azure background, as Holbein or Hilliard might have shown them, not against a defined sky over landscape, as Cooper would. They are in a mist of colour, soft focus, that answers the froth of hair and sartorial finery of high fashion. For a decade, in the 1780s, their women are often crowned with lofty hats as rich as meringues.

Soon after that, the polychrome excitement of costume subsides, particularly of course in male fashion settling into dark Victorian sobriety. The masters of that period seem not to be represented in the Fitzwilliam. It was the last of the great Sir William Ross, who is said to have acknowledged sadly on his death bed in 1860 that it was all up with the miniature. The photography already triumphed, the universal provider of quick and cheap likenesses.

Most of the great names are represented in the Fitzwilliam's range, and there are masterpieces by Smart and Cosway no less than those by Hilliard and Oliver, Hoskins and Cooper. But one of the perhaps slightly perverse pleasures of seeing the whole collection thus arrayed (and beautifully so) is that it embraces works of such varying quality. Something about the character of a sitter may offset the shortcomings of his or her artist. So, for example, with Colonel George Marlay, about 1820, artist anon. (British School), and the result, as the catalogue notes correctly, "not a distinguished work." Yet there the colonel very much is. In full military fig, scarlet, with decorations, he looks out on posterity slightly bashful at finding himself encompassed in a heart-shaped gold locket not quite in the best of taste; he looks touchingly vulnerable.

There are also the *freaks*, notably the strange fashion for devoting a miniature to the delineation of a human eye; as "window of the soul" no doubt. Mounted as a brooch, or even on a ring, looking out unblinking, but alarmingly dispossessed. But it is of course the masterpieces that most compel the visitor's wandering eye, capturing alive those faces from the past. They look out in confidence that proved inevitably in the end to be misplaced, yet seem mostly untroubled, their dissolution an unimaginable event, crystalised into living jewels.

The showing of the minatures thus has been prompted by the publication of a lavishly produced catalogue of the collection of miniatures (Cambridge University Press, £45), compiled by the museum's honorary keeper of miniatures, Robert Bayne-Powell. It is fully illustrated and nicely old-fashioned in style of entry: a labour of love no less than of learning. It has one inexplicable omission for such a work of reference. There are no indexes, although there are a dozen empty pages at the back that ache for them. Never mind; you can always provide your own, and learn a lot while so doing. The representation of foreign schools is relatively slight, and that aspect has been strengthened, for this showing, by the loan of the well-known collection of the late Bernard Falk.

Me and My Girl/Adelphi

Michael Coveney

In the wake of *Mr Cinders*, the tale of innocent ordinary lad makes good among his true aristocratic peers receives a sharp increase of resources in this wholly delightful revival of Lupino Lane's 1937 long-running hit.

It carries a double threat as a tourist attraction: for foreigners in its irrepressible comic exploitation of the class war as modulated through a series of skirmishes of accent and pronunciation (the book and lyrics are by L. Arthur Rose and Douglas Furber); for Londoners in its sharp and nostalgic evocation of a popular heritage in the score of Noel Gay, with hits like "The Lambeth Walk" (a show-stopping Act 1 finale) and the title number here bolstered with three other songs including the cheerful second act opener "The Sun Has Got His Hat On."

Nonetheless, the show really succeeds because of an absolutely inspired performance by Robert Lindsay, one of our finest and most versatile young actors, and thanks to a sleekly efficient, beautifully designed Leicester Haymarket production by Mike Ockrent.

The first of Martin Johns's satisfying designs is the façade of a Georgian porticoed mansion which materialises as the well-drilled chorus anticipate a weekend in the country. By the end of the number we have met a line of comically differentiated types; the façade has revolved as the interior; the discovery of a Cockney heir is announced; and Robert Lindsay is easing, shoulders hunched, through the front door. It is an opening of sheer economy and style and the stage is then clear for Mr Lindsay on the transported Bill Snibson to embark on his adventure.

Like all great performers, he has the knack of making you feel utterly secure even when embroiled in complicated activity. Within a minute he sprayed ambiguous sign language in the direction of the rubicund cove with an ear trumpet, springing card tricks, shimmying and dodging like a boxer, emitting vegetable stall cries in the middle of quite normal conversation.

Mr Lindsay is both stylish and engaging, not all that common a pairing of qualities, but one that indicates a star. The restored 17th baron, painfully bow-legged after his first hunt descends to the kitchen to discover a solid display of po-faced condescension led by Richard Caldicot's unbending butler.

Next comes the rapacious Lady Jaqueline (Susannah Fellows) dangling her legs and clasping his hand to her bosom on the sofa. The entranced Bill disengages himself only to walk into demands to sort out a pair of supplicating farmers (who, on shaking hands, produce a hammer and sickle) and to learn how to speak proper to important imaginary guests. This surreal process of education climaxes in a secene, similar to Offenbach's in *La Grande Duchesse*, when the portraits of family worthies come to life in the hilariously staged "Song of Hareford."

Mr Ockrent's one error is to perpetrate a Gene Kelly-like ballet by the lamp-post in Lambeth containing a cumbersome *hommage* to *Singin' in the Rain*. It is well executed, this sequence, with ingenious choreography, as throughout, by Gillian Gregory. But although Mr Lindsay's personality prospers, the conception is *grating*. Nor does the finale elucidate whether Bill Snibson, reunited with his true Lambeth girlfriend, returns to base or accepts Emma Thompson's Eliza-like transformation and stays put with the relatives. Choose your own ending, I suppose.

Alastair Muir

Robert Lindsay and Emma Thompson

Unlike Mr Lindsay, Ms Thompson is a comparative newcomer and, despite a limited voice, she makes a good fist of Sally. In a notably strong cast, Frank Thornton and Ursula Smith (saddled with a feeble penultimate number) are excellent, and Robert Longden as the buffoonish Hon Gerald and Roy Macready as a prancing solicitor are continuously and inventively funny. The sound system needs some attention, the musical direction of Chris Walker and Ian Hughes very little. But the evening belongs to Robert Lindsay, the best new musical comedy star to emerge since Michael Crawford.

The Stone Guest/Opéra-Comique, Paris

Max Loppert

One of the happiest experiences of an opera goer's life is the revival of a rarity, especially one of sanctified historical importance, in which the familiar judgments of history books are to some degree contradicted. By borrowing from the Piccola Scala a production of Dargomizhsky's *Stone Guest* for a round of performances at the Opéra-Comique, and by giving the work in a simple, uncluttered, musically and dramatically vital way, the Paris Opéra is currently offering its audiences just such an experience.

Dargomizhsky and his senior contemporary Glinka provided the inspiration for the wave of Russian nationalist composers of the later 19th century, a wave that reached its crest in Musorgsky's *Boris*. *The Stone Guest* was the last of his operas (it was left incomplete, and the version given after his death, in 1872, bears the finishing labours of Cui and Rimsky Korsakov). In it, the ideal of "melodic recitative," of scenes shaped according to the dictates of the text rather than broken into familiar number divisions, bore its first full fruit: the Pushkin play of the same name is closely adhered to, since Dargomizhsky's aim of "tuning" it into continuous melody, rather than of breaking it up according to predetermined musical needs, is carried through with visionary strictness.

The unique position of the work is generally agreed upon. So, it seems, is its artistic thinness, its melodic dullness, its orchestral anonymity. The Opéra-Comique performance brings with it the salutary reminder that music which looks bare and inanimate in private score study can course with unpredictable life in its proper theatrical environment. It is undeniable that not all the opera surges with the excitement that fills its most noted passages — those in which the intimation and then the appearance of the Commander's statue send the whole-tone scale rushing up and down through the musical fabric.

But even a non-Russian listener attending an original-language performance could measure how plentiful are the chances allowed to the vivid actor and eloquent deliverer of words by the deceptively undemonstrative vocal lines. Only in the scene for Laura (mezzo), one of Don Juan's flames, in which the general rule of the work is relaxed for her strophic song, does Dargomizhsky approach some of the colour and vitality for which Glinka's works are still greatly prized. But, in proportion to the abilities of the Opéra-Comique cast, the work became a gripping theatrical experience; the fact that the three acts were played without interval, and that one hardly minded, showed that on the whole these abilities had been well gauged.

The *beau role* is in fact Leporello, as the Czech bass Sergej Kopcak (Covent Garden's 1982 Prince Gremin), a darkly sonorous singer, made clear. The voice parts of Juan (tenor), Dona Anna (soprano—in Pushkin she is the Commander's widow), and Laura lie in the centre of their respective voice ranges; it is by means of sophisticated skills rather than singer's show that they are brought to life and the American Allen Cathcart, the Frenchwoman Hélène Garetti and the Romanian Eva Saurova (a handsome face and figure) had been well schooled in the necessary arts. The simple production, in an ugly but serviceable single set, was by Otomar Krejca, the conductor Jean-Claude Casadesus. The whole thing evinced a plainness and devotion to the task at hand that are by no means always the virtues of Parisian operatic undertakings.

Alexeyev/Elizabeth Hall

Dominic Gill

Dmitri Alexeyev's piano recital on Tuesday in the Elizabeth Hall was not as satisfying as his recital in the Wigmore Hall last year. Then, his manner and expressive stance fit the Wigmore exactly; last night he seemed to be straining to fill the empty spaces, and the result was too often mannered instead of intimate, exaggerated instead of grand.

That is not to say Alexeyev did not still find beautiful and original things on almost every page he played: but the proportion, the pacing, the exact measure were missing. After a sparkling selection of Prokofiev *Visions fugitives* — brilliant, but ever so slightly self-conscious in its point-making — there was Schubert's A minor sonata (op 42 D845), begun fractionally, but crucially, slower than the usual, familiar *moderato*: one felt that at a faster tempo his individual and highly inflected reading would have seemed less suffocating, less densely crowded with expressive detail. Much that was arresting: the very slow antante, with a marvellous, lazily wistful spring to its tread; the greatly heightened late-romantic colouring of the scherzo, more Brahmsian than Schubertian, but never vulgar.

Sometimes also the command, and the intensity of the conviction were great enough to lead us, even unwilling, into his world. I did not agree at all with his idea of the first movement of Schumann's C major Fantasy: over the top in its wildness, with passion but without passionate control, capricious to the point of mania—yet it was undeniably and genuinely inventive, shot through with a dark, private resonance that was also very compelling. An unerring emphasis on the long line, the longer progression, begun with the second movement and sustained through to the end of the last, undoubtedly flattered some tender details on its way; but the energy alone had a kind of magnificence, its own manic consummation.

Bach and Handel celebrations

The English Bach Festival is holding three concerts next week in the Banqueting Hall, Whitehall, to mark the tercentenaries of the births of Bach and Handel.

Wednesday's Bach programme will be his concertos for two, three and four harpsichords, on Thursday the London Baroque players will perform Handel concertos, and on Friday there will be a banquet for Handel's birthday with music and dances from Handel's operas performed in 18th century court costume. Tickets are available from the English Bach Festival Trust, 15 Eaton Place, London SW1.

In July the English Bach Festival will be performing Teseo by Handel at the ROH.

Pasionaria/Newcastle Playhouse

Martin Hoyle

"You politicals — you think you have all the virtues," snapped someone to La Pasionaria; and the same might be said to her cre-creator, Pam Gems, in this musical about the formidable Dolores Ibarruri. Now 89, the Communist has returned to a democratic Spain after long exile in Russia. The play takes us up to her pre-Civil War speech in the Spanish Parliament, when, as Deputy for the Asturias, she demands three times the still-relevant question: "Who are you governing for?"

Ms Gems's concern for topicality (mentions of the Northern miners giving in caused a rustle in the Newcastle auditorium) gives us a protagonist who emerges as little more than a walking set of political maxims. The middle-class couple who employ the young Dolores as a maid are grotesque doll-like caricatures: they squeal and rage like a Punch and Judy show. With opponents who are cartoon figures and a heroine who is a political mouthpiece, the play is as gripping as a recent dramatised documentary for schools radio.

Despite Denise Black's incisiveness and commitment as Dolores, most of the drama is found in Alexandra Byrne's set: a bomb site, arches and pillars lending themselves to prison or parliament. Paul Sand's music is mainly minor-key declamatory, with occasional rhythmic echoes of Spain that recall Latin America more than the Iberian Peninsula. A three-piece band, guitar, percussion and a variety of reeds, underpin the Gems and Sand lyrics, poetic rather than singable.

One song begins with "Mist over grey Bilbao"; and greater political theatre springs to mind. Brechtian clarity is missed. Act 1 ends with the advent of the Republic, whose main impact, to judge by Act 2, is in the distribution of flounced skirts and dancing—not, alas, *singing*—lessons for the generality. Sue Dunderdale's stylish direction cannot escape the final effect of disjointed plodding, though the Tynewear Theatre Company does it proud.

London showing of El Greco's 'Toledo'

One of El Greco's best-known paintings, *View of Toledo*, is on loan to the National Gallery from the Metropolitan Museum in New York. The loan is in exchange for the National Gallery's painting by Caravaggio, *Supper at Emmaus*, which has been lent to the exhibition "The Age of Caravaggio, 1590-1610," which will be shown in New York and Naples.

View of Toledo is on show in Room 41 until mid-June.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Feb 8–14

Exhibitions

NETHERLANDS

Utrecht, Central Museum. Rare silver of the Golden Age. The Van Vianen family of Utrecht provided the country's leading silversmiths for much of the 17th century. The 60 objects from London, Vienna, Leningrad, Berlin, Paris and Amsterdam inevitably focus on the work of Adam and Paulus Van Vianen, whose introduction of the auricular style and emphasis on the sculptural qualities of silver brought about a break with the past. Ornate, yet graceful cups and ewers contrast with superbly chased tazzas and plaques depicting mythological and biblical scenes in low relief. The dazzling display is complemented by 17th-century paintings and drawings in which the Van Vianens' creations featured as sumptuous accessories. Ends Feb 10 (closed Mon).

Amsterdam. The Rijksmuseum opens its centenary year with a close look at the Last Supper. Twenty sketches and studies, 12 by Leonardo, accompany an immense photographic reproduction of the ailing mural, while detailed photographs chronicle the restorers' latest efforts to reverse the erosion. Ends March 3. (Closed Mon).

Amsterdam. Stedelijk Museum. La Grande Parade (named after the painting by Léger) is a feast of highlights in international painting after 1940. Forty artists are represented with 250 works loaned from all over the world. The show is designed as an encounter between the late creations of patriarchs like Matisse, Picasso and Braque and works by the outstanding representatives of subsequent generations (De Kooning, Bacon, Pollock, Giacometti, Rothko and many others). Theory, for once, takes second place, leaving the art to speak for itself. On the ground floor is an impressive gallery of photo portraits of the artists exhibited. Ends April 15.

Amsterdam, Van Gogh Museum. A large selection from the holdings of the city's Stedelijk Museum provides a comprehensive survey of the "Dutch identity" in art since 1945: from Cobra and the Informal Group, via Zero and conceptual art, to the New Realists and the exuberant expressionism of the emerging generation. Ends April 15. (The permanent Van Gogh exhibition has moved to the top two floors for the duration).

Dordrecht, Dordrechts Museum. A varied and delightful selection of drawings and watercolours from the museum's collection illustrating the development of the graphic arts in Dordrecht from 1700 to 1850. Ends Feb 24 (closed Mon).

Amsterdam Historical Museum. A show of 19th-century topical prints which met a popular demand for political comment. Illustrations commemorating important events in Dutch history, and souvenirs of royal occasions. Ends March 3 (Print-room closed Sun, Mon).

PARIS

Hans Holbein the Younger. (1497-1543): Thanks to the acquisitions by Louis XIV, the Louvre boasts one of the richest and rarest collections of the court painter of Henry VIII. Five of his masterpieces, portraits of Erasmus and Anne of Cleves among others, retrace his artistic development, accompanied by several drawings of equally prime importance. The exhibition is completed by paintings from the royal collections thought, mistakenly, to be by Holbein. Louvre, Pavillon de Flore, Porte Jaujard (260 3926). Closed Tue, Ends April 15.

Degas: His portrait of Diego Martelli and his astonishing Bureau des Cotons, with his Carnet 18 to be seen for the first and last time page by page, form the highlights of a vast exhibition of the master's sculptures, paintings, lithographs. Centre Culturel du Marais, 20-28 Rue des Francs-Bourgeois (272.73.52). Every day from 10am till 7pm. Ends March 3.

Impressionism and the French Landscape: The exhibition, conceived to coincide with the Los Angeles Olympics, treats the Impressionists' favourite subject matter from an unusal angle. The 125 paintings by the great names of the movement and by Manet and the Post-Impressionists, are divided according to themes. Rural countryside forms one group and the means of transport another, as do urban landscapes and the maritime universe. All show how the artists interpreted the traditional image of France and the modern one which developed in the wake of industrial progress. Grand Palais (260 3926). Closed Tue. Ends April 22.

ITALY

Naples: Museo di Capodimonte: 'Naples in the 17th Century': for lovers of Baroque. An exuberant exhibition of paintings, marbles, silver and furniture dating from a period when the city was the second in Europe after Paris. Ends April 14.

Milan: Castello sforzesco: L'Atelier dell'Illusione – 120 opera costumes chosen from the 80,000 in La Scala's storerooms. A visual opera history of the last 60 years. All the costumes are original except the first on show: a replica of the black; satin dress with bustle in which Maria Callas sang in La Traviata at La Scala in 1955. Closes end of Feb.

Herculaneum (Naples) Villa Campolieto: An exhibition entitled Terrae Motus – of modern paintings which are the beginnings of a new contemporary arts centre here: works by Warhol, Pistoletto, Beuys, Mapplethorpe, Twombly and Haring. Until April.

Syracuse (Sicily) Palazzo Bellomo: An important collection of paintings by Caravaggio: Focal point is the huge painting The Burial of Santa Lucia – patron saint of Syracuse – painted in 1608, when Caravaggio returned to Sicily after 14 years in Rome. Until Easter.

Rome: Galleria Giulia, Via Giulia 148: 50 works by the German expressionist painter Otto Dix, covering the period 1914 to 1965. Not for weak stomachs: Dix looks at Germany in the post-war period with a jaundiced and unpitying eye, but whereas the irony in this first section of the exhibition is entertaining, the room devoted to his beautifully drawn series on the horrors and privations of trench warfare is less so. Ends Feb 20.

Venice: Museo Correr (Ala Napoleonica): An unusual exhibition of unrealised projects for Venice, including Palladio and Le Corbusier, and some less so but all of interest. Until End of Feb.

Rome: Palazzo Venezia: Rome 1300 to 1875 – Art of the Holy Years. A huge and splendid exhibition of paintings, manuscripts, medallions, sculpture connected with the holy years which have taken place every 50 or 25 years since Boniface VIII's first in 1300. Of particular interest is Caravaggio's The Conversion of San Paolo (which belongs to the Odescalchi family, and is not normally on public view) and the Veronica by El Greco, recently discovered in the Capuccine monastery in Toledo. Ends April.

WEST GERMANY

Berlin, Akademie der Künste, 10 Hanseatwenweg: 130 paintings and 70 drawings from between 1945 and 1984 by Rupprecht Geiger, the German painter. Ends March 17.

Frankfurt, Frankfurter Kunstverein, 44 Markt: Italian art between 1910 and 1980 offers about 80 paintings and sculptures by roughly 50 artists, among them Chirico Bocioni, Carra Morandi, Modigliani and Manzu. Ends April 8.

Munich, Villa Stuck, 60 Prinzregentenstr. 60: This is the first retrospective in West Germany of Guilio Turcato, the Italian artist. It has roughly 50 paintings and objects and about the same number of works on paper. Ends March 10.

Hamburg Kunstverein, Glockengiesserwall: More than 120 oil paintings on paper from 1949 to 1967 by Joseph Boys. This is the first time these works have been shown to the public. Ends March 31.

Hanover, Kestner Gesellschaft, 18 Warmbüchenstrasse: A retrospective of Marc Chagall's works on paper from 1907 to 1984 has roughly 200 drawings, gouaches and watercolours. This is the only German venue of the touring exhibition. Ends April 8.

Hannover, Forum des Landesmuseums, 8 Am Markte: Berlin Art between 1770 and 1930 has 200 bronze, gypsum, ceramic and china sculptures by artists ranging from Gottfried Schadow to Georg Kolbe. Ends Feb 17.

Düsseldorf, Kunstpalast; Ehrenhof 4: The British sculptor Anthony Caro, 60, who once assisted Henry Moore, exhibits his scrap metal sculptures. The 40 works include all his attempts with scrap since 1969. Düsseldorf will be the only German venue. Ends March 3.

Nuremberg, Germanisches Nationalmuseum: Masterpieces of the 20th Century, from the private collection of the German industrialist Thyssen-Bornemisza. Manet, Gauguin, Bonnard, Mondrian, Picasso; Van Gogh, Schwitters, as well as Russian constructivists. Ends March 24.

Düsseldorf, Stadtmuseum, Backerstr. 7-9: "A land at the Centre of Power." 900 paintings and documents covering the cultural history of the "Herzogtumer" (duchy) and its main centres Julich, Kleve and Berg. Ends Feb 24.

LONDON

The Royal Academy: Marc Chagall – a full retrospective (organised by the academy in association with the Philadelphia Museum of Art, to which it travels later in the year) of the work of one of the most popular masters of modernism, still at work in his 98th year and last survivor of the artists' Paris of its great period before the first world war.

Chagall, for all his popularity, has remained a maverick artist, idiosyncratic and independent, and hard to categorise. We now see, however, that he has always been a good artist, and at times, most notably in that first time in Paris after 1910, a great one. The work of his extreme old age, moreover, does him more than credit, representing no falling off in its technical command or imaginative authority, but simply a restatement of the poetic images and ideas that have always haunted him and he has made his own – the soaring and floating lovers, the clowns and musicians, the flowers and trees, and that strange, colourful domestic bestiary of cocks and hens, goats, cows and asses.

WASHINGTON

National Museum of American Art: 49 works by five 19th century black artists highligh a show of a little-known area of American art. It reminds the world of Joshua Johnson, the first recognised black American portrait painter; Henry Ossawa Tanner, a student of Thomas Eakins and neo-classical sculptress Edmonia Lewis. Ends April 7.

CHICAGO

Art Institute: 82 great architectural drawings cover the last five centuries in this show lent by the Royal Institute of British Architects. Ends Mar 31.

TOKYO

Great Kabuki Actors in Ukiyo-E: This exhibition marks the Kabuki convention of awarding exceptional actors with names of of honour. Only 12 actors in the last 300 years have merited the title Danjuro. To celebrate the forthcoming accession of Ichikawa to the title Danjuro XII, these paintings of previous incumbents show not only the significance of the title but the close ties between Kabuki and art even today. Riccar Art Museum, Ginza, Ends Feb 24.

Noh Masks and Costumes: 20 Noh masks and 16 exquisite costumes attest to the grandeur and power of this 700 year-old theatre form. Okura Shukokan Museum, at Hotel Okura. Ends Feb 24.

Pre-Raphaelites and their Age: 70 works of Rossetti, Burne-Jones, Millais and others, mainly from the Forbes Magazine collection. This first-ever exhibition of Pre-Raphaelites in Japan reflects the growing interest in Japan in British Art. Isetan Department Store, Shinjuku. Ends Feb 24.

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Political test for S. Korea

CAN South Korea match its undoubted economic success with a corresponding degree of political maturity? That is the question posed by the result of this week's elections for a national assembly in which a significant new force emerged in opposition to the military-backed government of President Chun Doo Hwan.

South Koreans voted in record numbers in what was seen as the first real, if limited, test for the ruling Democratic Justice Party, for President Chun and for the country's military who remain the ultimate arbiters of power.

The test was limited in the sense that the national assembly, under the present constitutional arrangements, has limited powers. The opposition will not be able directly to influence national policy. It was real, however, because nearly 85 per cent of the nation's voters turned out, and 35 per cent of them voted for a new party openly questioning the legitimacy of President Chun's régime which seized power in a military coup in 1980.

Under the complicated voting arrangements for the assembly, a number of seats are apportioned on a first-past-the-post basis, a substantial number automatically go to the party with the highest percentage of the popular vote and those remaining are allotted on a system of proportional representation.

This arrangement is designed to ensure that the ruling party which, on this occasion, captured 35 per cent of the vote, has a majority in the 276-seat legislature.

Challenge

The New Korea Democratic Party, which wants full-blooded democracy, polled nearly 30 per cent of the popular vote, giving it 67 seats. This placed it way ahead of the existing opposition Democratic Korea Party which polled 20 per cent of the popular vote and gets 35 seats.

The Democratic Korea Party (DKP) has, until now, been regarded as something of fictitious opposition, created by President Chun and the military to satisfy demands both within the country and from abroad for a move towards a more democratic form of government. However, emboldened by this week's developments, many DKP members are expected to agitate for an alliance with the country's newest opposition force thus posing a potentially serious challenge to the ruling party in the national assembly.

President Chun will be nudged towards greater pluralism by the United States, which has a major interest in the stability of South Korea where 30,000 American trops stand ready to face the continuing threat of invasion from North Korea.

Under President Carter the U.S. Administration made little headway. Its public criticism of South Korea's human rights policy only stiffened attitudes in Seoul. President Reagan has, more effectively, sought to bring about change in South Korea by building rather than undermining the regime's confidence.

Dividends

Official criticism was stopped, support for the regime was reaffirmed and President Chun became the first head of state to visit Washington after President Reagan's 1981 election. The calls for more democracy have gone hand in hand with this more supportive approach.

It has paid dividends. Kim Dae Jung, the country's leading opposition figure, who had been sentenced to death on dubious grounds, had his sentence commuted. He was allowed to travel to the U.S. for medical treatment and last week he was able to return to Seoul, albeit to a rough welcome by the police and to house arrest. Many political prisoners have been released, some senior opposition figures have had their constitutional rights restored and the soldiers have visibly eased their hold over the country.

President Chun has repeatedly said he will step aside in 1988, when his term of office expires. This could clear the way for the first peaceful transition of power in South Korea's history.

It would be unrealistic to expect South Korea to make the transition from autocracy to democracy overnight. But the outcome of this week's vote requires a steady programme of reform which should include the phased removal of all restrictions on political activity and Press freedom, a more representative system of legislative elections and a genuinely open and free presidential election in 1988.

Reforming UK secrets law

AS WE remarked on Tuesday, the jury came very well out of the Ponting case by effectively deciding that the law is an ass. Mr Ponting may have been technically guilty under Section 2 of the Official Secrets Act of 1911, but the jury decided that the use of the Section was ridiculous in this case.

Successive governments have agreed over the years that the 1911 Act was hastily composed, scarcely debated at the time and ought to be repealed. But, beyond an array of commissions and white papers, they have done little about it. It will be a very great pity if the present administration now funks the obvious opportunity for reform.

There are three main issues. The first and most ephemeral is that the Government has given the impression of being less than totally forthcoming about the circumstances surrounding the sinking of the Belgrano during the Falklands war. That was what led to the Ponting case. There is nothing new about such behaviour: all governments tend to be evasive if they think they can get away with it. Mrs Thatcher's team has a chance to set the record straight in the debate in the House of Commons next Monday. If it continues to fudge—and it has nothing much to be ashamed of except its incompetent handling of information—it should be rightly hounded.

Reports

The second issue is Section 2. From the Fulton Report on the Civil Service in the late 1960s onwards, it has been widely accepted that there is too much unnecessary secrecy in Britain. Fulton recommended an inquiry to reduce it, including a review of the 1911 Act. That, in turn, led to the Franks Report which said that Section 2 should be repealed and replaced by an Official Information Act with narrower and more specific provisions: it would be tough on information that needs to be protected, and open on the rest.

More than a decade after Franks almost nothing has been done. Section 2 remains in force. It makes it an offence for any person holding office under Her Majesty to communicate without authority to any person any information which he has obtained because of his official position and for any person to receive such information.

The only possible defence of the Section is that it is so extreme that one would expect governments to use it sparingly, if at all. Successive administrations, however, have succumbed to the temptation, and Mrs Thatcher's would look just as petty if Mr Ponting had been convicted rather than acquitted. The only way to remove the temptation is to abolish the Section.

There may be several approaches—for instance, a new code of ethics for public servants. But the general principle was put well enough in the Labour Party Manifesto of October 1974 which promised "to replace the Official Secrets Act by a measure to put the burden on public authorities to justify withholding information." If present Ministers are not up to that, the House of Commons should get busy.

Dual role

The third issue is the role of the Attorney General. We are not suggesting that Sir Michael Havers or any of his predecessors have behaved improperly. But the role is ambiguous. He wears two hats, one as an elected MP supporting the government of the day, the other as a quasi-judicial officer. The office has evolved over the centuries from the time he was the prosecutor of all causes on behalf of the crown. But the evolution is clearly incomplete and it is not surprising that there is some confusion about the Attorney General's functions. It might be that his role is now redundant. The Government could perfectly well rely on the Home Office or outsiders to advise it on the legal implications of its actions.

There is plenty of material there for Mr Kinnock to mount a formidable attack on Mrs Thatcher's administration. He could be leading the call for constitutional reforms. Instead he seems to have dished it by refusing to believe the word of the Prime Minister on the bringing of the Ponting case. So far, in the words of Mr Steel, the Liberal leader, he has reduced major issues to an unseemly brawl.

PLANT BUILDERS AND THE RECESSION

Lean years for the mega-projects

By Ian Rodger

FROM Alaska to Nigeria, from Brazil to Papua New Guinea, the beginnings of giant pipelines, refineries, steelworks and other mega-projects lie rusting on the ground or fading from engineers' drawing boards, victims of recession or the liquidity crisis in the developing countries.

Project cancellations may be causing a bit of embarrassment in the countries concerned, but for the world's big plant builders, such as Bechtel and Fluor of the U.S. and Davy of Britain, they are creating huge problems.

Demand for their design, engineering and project management services has dropped by 40-50 per cent since the 1981 peak of about 100m manhours. Tens of thousands of workers, mainly highly skilled engineers, have been laid off from design offices throughout North America and Europe, and profit margins have been all but eliminated as companies battle ferociously for the few bits of business available.

Worse, even after three years of recession, no one can see any major new stimulus to business. "I don't think we will ever see another greenfield oil refinery project," one large U.S. builder says gloomily. Most plant builders would argue that he is being too pessimistic, but they agree that the medium-term outlook is poor.

"I wouldn't say we will never see mega-projects again, but certainly not for the next five years or so," says Mr Allan Gormly, managing director of John Brown, the British group active in pharmaceutical and offshore plant building.

If he is right, then there is still a considerable shakeout to come. Many plant builders continue to defer rationalisation plans in the hope that a fresh surge of demand will emerge in some sector or area. Given the heavy indebtedness of most developing countries and the mature state of basic industries in the developed countries, that seems unlikely. But it is understandable that a plant builder would hold such a view.

For the past 40 years, plant builders have grown and prospered almost without interruption by marching, like gipsies, from one sector to another to offer their engineering services. Some companies date from the turn of the century, but the industry really got its start in the post-war period when technological developments in oil refining and petrochemicals sharply increased the amount of engineering needed in designing and building plants.

Until then, oil and chemical companies tended to build their own plants. But the prospect of hiring huge engineering staffs which would only be needed for short periods made them turn increasingly to outside contractors. Later, similar trends occurred in the steel, cement, pharmaceutical and other process industries.

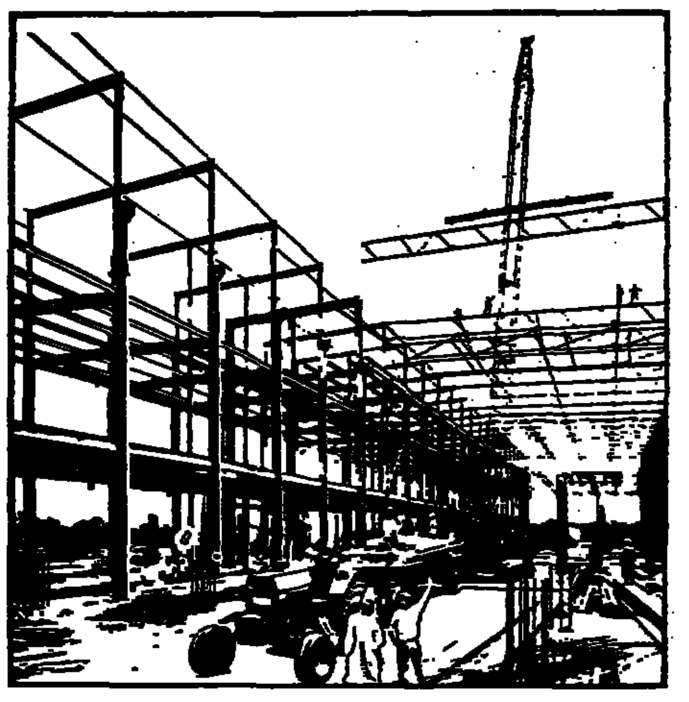
In the 1940s and 1950s, the big demand on plant builders was for oil refineries in Europe and North America. In the 1960s, the emphasis shifted to huge petrochemical plants, but the first oil crisis in 1973 brought many projects to a halt. However, the ever-flexible builders immediately flocked to the oil rich and other ambitious developing countries and soon had bulging order books to manage their various basic infrastructure projects. There were also big nuclear power programmes in some industrialised countries and, more recently in the U.S., orders for synthetic fuel plants.

All these markets came tumbling down in 1982 under the combined impact of recession, opposition to nuclear technology and liquidity problems in the developing countries. Plant builders throughout the world have been suffering ever since. Davy's profits plunged from £20.4m in the year to March 1982 to only £7.5m in 1983-84. Net income of Foster Wheeler, the large U.S. group, fell from $64.3m in 1981 to $4.2m in 1983, while that of Fluor tumbled from $159m in 1981 to only $1m last year.

Even the Japanese plant builders are being affected. Chiyoda Chemical is expecting net profits in the current year to September to reach only Y5bn (£17.5m) compared with Y24.4bn last year.

When the slump hit, the plant builders' instinctive response was to look around for a new boom area. And some are still hanging on to highly costly engineering staffs in the hope that China or some other growth area will provide substantial new work.

Plant builders are always reluctant to cut manpower, especially their engineers. As one company official explains, there is no easy way to do it. Dr Duilio Greppi, president of Italy's Snamprogetti, says chillingly, "if a company has laid off 50 per cent of its staff, it has half disappeared."



The problem is not enough projects to go round.

Mr Charles Cannon, deputy chairman of Flour, says the company, which has laid off 10,000 of its 26,000 workforce in the past three years, tried to make "vertical cuts, so you do not lose skill. You aim to keep key personnel, but I think you lose the capability of filling a large volume of work."

Others have made similar-sized cuts. Bechtel, for example, has reduced its non-manual workforce from 44,000 to under 32,000 in the last two years. Davy has cut its 20,000 workforce by more than half, with most of the layoffs being in the U.S. offices. Badger, a U.S. company, closed its London office in 1983, and there are rumours of further European office closures by other American companies.

"Some of our competitors still face some difficult decisions," Mr Cannon predicts.

European and Japanese contractors have not been as hard hit as the Americans, mainly because they were not as heavily involved in nuclear power plant and synthetic fuel projects. But Europe has seen the most important bankruptcy in the sector, that of Creusot-Loire of France last year. Another French company, Technip, is negotiating a financial restructuring package.

Apart from job cuts and office closures, there is little a contractor can do to cut costs. The nature of the industry is such that companies do not have large factories or stocks of raw materials or work in progress. Nor is there much potential for rationalisation through mergers and acquisitions. At a time of depressed demand, no one is eager to acquire an additional army of engineers.

There have been some significant acquisitions and mergers in the sector, notably Davy's $110m acquisition of McKee of the U.S. in 1978. Enserch of the U.S. bid for Davy in 1980 but was rebuffed by the UK Monopolies Commission. It then acquired Humphreys and Glasgow in 1983. Another set of moves saw Wheelabrator Frye take over M. W. Kellogg in 1980 and subsequently merge with Signal Companies, which owns UOP, in 1983.

'I don't think we will ever see another greenfield oil refinery project'

However, these and many smaller acquisitions are usually motivated by builders' efforts to widen their technological portfolios or improve market penetration in a given area. For example, McKee brought Davy a lot of food and pharmaceutical plant technology and a significant market share in the Americas.

Diversification is now seen as one of the main ways that hard pressed plant builders can keep busy. Fluor, for example, is managing the installation of a telephone system for the U.S. Department of Defense and is becoming active in mass transit and water treatment projects. Snamprogetti, originally a refinery builder, has diversified since 1976 into chemicals, fertilisers, offshore work and pipelines.

Compaines are also diversifying geographically. Those with easy access to Eastern European countires, like the Austrians and Italians, are working hard in those areas. Voest-Alpine of Austria has just won a Sch 10bn (£400m) contract, its largest ever, to build a new plant for making steel cord for tyres at Shlobin in Byelorussia. John Brown of Britain is optimistic about winning major pharmaceutical plant contracts from the Russians following its supplying of the controversial gas turbines for the Siberian gas pipeline.

Others are focusing on the Far East and, in particular, on China. Kellogg, for example, has major new projects in Taiwan, South Korea and Indonesia, and has just set up three joint ventures in China. The company is one of the best established in China, having already carried out 20 projects, mainly on ammonia, urea and other petrochemical plants.

Also, a few markets in the industrialised countries remain fairly buoyant. Mr Gormly of John Brown says the demand for small pharmaceutical plants with complex process control systems to make high value drugs, such as cephalosporins, remains strong.

"We think it's better to go after these things than join the cut throat competition for the few large plants around," he says. "There are people who have been chasing the large petrochemical complex in Nigeria for the past five years and they will still be chasing it five years from now, in my view."

Another area that remains strong, despite current oil prices, is the offshore oil development market, attracting a number of new competitors. Trafalgar House of Britain, for example, has built up its fabrication capacity in recent years, notably through the purchase of the Scott Lithgow shipyard from British Shipbuilders last year.

But for the most part, plant builders are having to be satisfied with a lot of small contracts to modernise, refurbish or automate existing plants in the industrialised countries.

That is not necessarily a bad thing. As Mr Lucien Sajus, managing director of Technip, says, "doing modernisation projects is a way to keep up with technological developments."

As the shape of the market changes, so do some of the competitive factors. A few years ago builders and their governments dreamed up increasingly ingenious packages of soft loans and aid to win contracts in the developing countries. Now ingenuity in financing is less important because few developing countries can qualify for any kind of a loan. For similar reasons, skill at countertrading is becoming less important.

Now the emphasis is on technological strength and a proven track record. Builders say that customers want to be sure that their projects will be done on time and within budget. "If you want to get turnkey projects, you have to be good technologically and be a good project manager," says Dr. Klaus Czempirek, board member of Voest responsible for the plant-building division.

Some builders even go so far as to invest in demonstration plants to prove their technological prowess in a given sector. Bechtel, for example, has invested $30m in a joint venture project in California to convert coal into synthetic gas and then to electricity.

But the problem remains that there are not, for the moment, enough projects to go around. Builders say that overall demand has recovered a bit from the depths of 1983 but they don't see any near-term recovery to the level of activity of three years ago.

That said, they are unanimous that strong demand will return at some point and mega-projects will get under way again. "The appetite of people in the developing countries for things is not going to go away," Mr Roy Withers, deputy chairman of Davy, says. "And all of these countries want to substitute local production for imports."

But that begs the question of when the developing countries will be able to afford to buy plants again. Today, even those countries with energy export potential have difficulty getting projects underway. Nigeria's liquified natural gas project, for example, is likely to be stalled for several years because there is no demand for LNG.

Thus, for the next few years, the prospect in the industry is for poor margins and probably some casualties among the weaker plant builders. "Buyers are driving us very hard now to get the best deals they can," one U.S. builder says. "But if they drive enough of us out of business, then they will be scrambling when demand comes back."

TOP INTERNATIONAL CONTRACTORS

		1983 contracts ($m) Foreign	Total
1	Bechtel Group, Inc., San Francisco, Calif., U.S.	7,884.0	13,810.0
2	Kellogg Rust, Inc., Houston, Tex., U.S.	5,000.0	8,500.0
3	The Parsons Corp., Pasadena, Calif., U.S.	4,160.7	6,627.7
4	Dong-Ah Const. Ind. Co., Ltd., Seoul, Korea	3,611.0	3,844.2
5	Foster Wheeler Corp., Livingston, N.J., U.S.	2,103.0	2,980.0
6	Davy Corp. plc, London, England	2,036.3	2,178.6
7	SADELMI COGEPI SpA, Milan, Italy	2,003.0	2,021.0
8	Philipp Holzmann AG, Frankfurt/Main W. Ger.	1,755.3	3,657.1
9	Lummus Crest, Inc., Bloomfield, N.J., U.S.	1,720.0	2,460.0
10	IMPRESIT CpA, Milan Italy	1,652.8	1,805.2
11	Enka Const. & Industry Co. Inc, Istanbul, Turkey	1,505.0	1,869.8
12	SAE-Societe Auxiliare d'Entreprises, Paris, France	1,446.0	2,387.0
13	Hitachi Zosen Corp., Tokyo, Japan	1,351.0	1,801.0
14	Fluor Corp., Irvine, Calif., U.S.	1,193.1	2,605.1
15	SCREG-Soc. Chimique-Routiere et d'Ent. Gen., Puteaux, France	1,119.0	2,559.0
16	Hyundai Engrg. & Const, Co., Ltd., Seoul, Korea	1,109.0	1,606.2
17	Bouygues, Clamart, France	1,100.0	2,320.0
18	Spie Batignolles, Puteaux, France	1,092.3	1,825.2
19	Ballast-Nedam Groep NV, Amstelveen, Netherlands	1,031.0	1,223.0
20	C.F. Braun & Co., Alhambra, Calif., U.S. (4)	1,025.0	1,115.0
21	Chiyoda Chemical Engrg. & Const. Co., Ltd, Tokyo, Japan	991.0	1,218.0
22	Snamprogetti SpA, Milan, Italy	950.0	1,550.0
23	George Wimpey plc, London, England	934.0	2,259.0
24	Daewoo Corp., Seoul, Korea	891.3	1,266.8
25	DUMEZ, Nanterre, France	878.0	983.3

Source: Engineering News Record International Construction Week

Men and Matters

Birch's Shoe tree

Philip Birch, chairman of Ward White, has an unusual background for a man overseeing the company's transformation from shoe manufacturer to High Street retailer. "I am essentially an accountant and an engineer," he cheerily acknowledged yesterday when launching a £93m takeover bid for Foster Brothers Clothing. "I am not a trained shopkeeper."

But the industrial and financial background, coupled with his Liverpudlian affability and directness, have stood him in good sead over the past five years as he has tried to convince the City that Ward White's rapid, acquistive expansion is soundly based.

Aged 52, Birch left school at 14 and trained as an engineer and then as an accountant with English Electric in Liverpool. Spells with Plessey and Unilever followed, and then in 1967, while working for a City firm of consultants, he was given the task of helping the ailing Northampton shoe manufacurer, John White.

The company was impressed, and two years later he became managing director. He oversaw the merger with George Ward in 1972, but, in common with other shoe makers, spent the rest of the decade fighing a losing batle against foreign competition.

Four years ago, around the time he took over as chairman, Birch decided that "the thing to do, short of dying, was to go into retailing."

The result has been remarkable. Nine businesses including Halfords, have been bought so far at a cost of over £100m.

Birch believes Ward White's strengths are its management organisation and the fact that, when on the acquisitions trail, it "always looks at the financial picture first. If a deal ges past that hurdle, then we look at the trading concept."

His main relaxation is his family—he has seven children from two marriages, ranging in age from 29 years to six months—and tennis.

Birch had a trial for Everton football club as a youth and still closely follows Liverpool's performance. "The defeat of Arsenal on Tuesday," he says, tongue firmly in cheek, "has to be a good omen for the Foster bid."

Film clip

The search is on for a chief executive for the British Screen Finance Corporation, the new Government-backed private sector film financing organisation.

Candidates will need creative talent, sound judgment—and nimble political footwork to hold the ring between the four investors Thorn EMI, Rank, Channel 4, and the Videogramme Association; and the Department of Trade and Industry.

Trouble is that head-hunters, Alexander Hughes, have only been given around £35,000 a year to offer in reward for such qualities—hardly a film industry sort of salary.

But then, the firm explains, the annual budget for the private replacement of the National Film Finance Corporation will be only £3m a year. And low and medium budget films will be the order of the day.

"The person who takes the job will probably be doing it for reasons other than the money," it adds optimistically.

Out-goings

Will the last person to leave Alexander Howden please turn out the lights, say the wags in the City's Lime Street. A new wave of departures is taking place from one of Lloyd's most controversial members. Richard Page, chief executive of Howden, resigned in December. Now Ron Beradi, chief financial officer, has also resigned and John Newton, public relations officer, is leaving to join Kingsway Public Relations.

All three men came on to Howden's London scene at the end of 1982, charged with the delicate responsibility by Howden's American owners, Alexander and Alexander of clearing up the mess after one of the City's most serious financial scandals.

Page resigned to become president and chief executive officer at Fred S. James, another large insurance broking group, which Beradi, too, is now joining.

Howden's parent Alexander & Alexander is attempting an ambitious merger with Canadian insurance broker, Reed Stenhouse which could lead to other departures. Meanwhile, Newton is taking the Howden public relations account with him to Kingsway, where the group's tarnished image will continue to be burnished.

"Valentines—or more letters from Mr Kinnock?"

Tootaling home

Three hours before Entrad's offer document for Tootal was issued yesterday afternoon in London, Abe Goldberg, the Australian company's chief executive and motivating force, left Heathrow for Sydney en route to his home and family in Melbourne.

He was not abandoning the fight for the British textile giant, nor seeking to avoid the limelight. He had simply discovered a cheaper and faster way of returning home.

Goldberg had intended to return on the daily Quantas flagship that links London with down under. "Then I discovered British Airways had a special Concorde flight to Sydney to bring back passengers disembarking from the QE2 round-the-world cruise. And since the flight is cheaper than first class on Quantas it's too good to miss. I'll be home in 16 hours instead of 26 — more time for the family."

Not that London or Manchester, home of Tootal, has seen the last of either Goldberg or Rod Hartley, his chief executive and a former Tootal director. Both will be back stalking their prey within 10 days.

Win or lose I would not be surprised to see their names attached to an American company before long. Goldberg has lots of ambitions outside Australia.

Who's who?

Sir Geoffrey Howe's visit to Ankara is arousing much interest in Turkey.

A colleague innocently on holiday in Istanbul last week was told, "We know why you are here. You are going to make an article on Sir Who."

Observer

BASE LENDING RATES

A.B.N. Bank	14 %	C. Hoare & Co.	†14 %
Allied Irish Bank	14 %	Hong Kong & Shanghai	14 %
Henry Ansbacher	14 %	Johnson Matthey Bkrs.	14 %
Amro Bank	14 %	Knowsley & Co. Ltd.	14½%
Armco Trust Ltd.	14½%	Lloyds Bank	14 %
Associates Cap. Corp.	14 %	Edward Manson & Co.	15 %
Banco de Bilbao	14 %	Meghraj & Sons Ltd.	14 %
Bank Hapoalim	14 %	Midland Bank	14 %
BCCI	14 %	■ Morgan Grenfell	14 %
Bank of Ireland	14 %	Mount Credit Corp. Ltd.	14 %
Bank of Cyprus	14 %	National Bk. of Kuwait	14 %
Bank of India	14 %	National Girobank	14 %
Bank of Scotland	14 %	National Westminster	14 %
Banque Belge Ltd.	14 %	Northern Bank Ltd.	14 %
Barclays Bank	14 %	Norwich Gen. Trust	14 %
Beneficial Trust Ltd.	15 %	People's Tst. & Sv. Ltd.	15 %
Brit. Bank of Mid. East	14 %	Provincial Trust Ltd.	15 %
■ Brown Shipley	14 %	R. Raphael & Sons	14 %
CL Bank Nederland	14 %	P. S. Refson	14 %
Canada Perm'nt Trust	14 %	Roxburghe Guarantee	14½%
Cayzer Ltd.	14 %	Royal Bank of Scotland	14 %
Cedar Holdings	14 %	Royal Trust Co. Canada	14 %
■ Charterhouse Japhet	14 %	■ J. Henry Schroder Wagg	14 %
Choulartons**		Standard Chartered	‖14 %
Citibank NA	14 %	Trade Dev. Bank	14 %
Citibank Savings	12½%	TCB	14 %
Clydesdale Bank	14 %	Trustee Savings Bank	14 %
C. E. Coates & Co. Ltd.	14½%	United Bank of Kuwait	14 %
Comm. Bk. N. East	14	United Mizrahi Bank	14 %
Consolidated Credits	14 %	Westpac Banking Corp	14 %
Co-operative Bank	*14 %	Whiteaway Laidlaw	14½%
The Cyprus Popular Bk.	14 %	Williams & Glyn's	14 %
Dunbar & Co. Ltd.	14 %	Wintrust Secs. Ltd.	14 %
Duncan Lawrie	14 %	Yorkshire Bank	14 %
E. T. Trust	14½%		
Exeter Trust Ltd.	14½%		
First Nat. Fin. Corp.	15 %		
First Nat. Secs. Ltd.	14½%		
■ Robert Fleming & Co.	14 %		
Robert Fraser & Ptns.	14½%		
Grindlays Bank	‡14 %		
■ Guinness Mahon	14 %		
■ Hambros Bank	14 %		
Heritable & Gen. Trust	14 %		
■ Hill Samuel	§14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1 month 11.75%. Fixed rate 12 months £2,500 11.75%; £10,000 12 months 12.00%.
† 7-day deposits on sums of under £10,000 11%; £10,000 up to £50,000 12%, £50,000 and over 12½%.
‡ Call deposits £1,000 and over 11%.
‖ 21-day deposits over £1,000 12½%.
¶ Mortgage base rate.
§ Demand deposits 11%.
** See Provincial Trust Ltd.

ECONOMIC VIEWPOINT

The case against a 'special case'

By Samuel Brittan

ONE of the greatest advantages of sectional interest groups is that their spokesmen are bound to have more detailed knowledge of their own sector than the general economist or commentator.

But just for these reasons, the non-specialist can never throw in the towel. One sectional interest support of particular topical importance is the international Multi-Fibre Arrangement (MFA), which restricts the increase of imports of the most sensitive textiles and clothing from the developing into the developed countries to an effective ceiling of 1 to 2 per cent per annum.

The present MFA is due to expire in July, 1986. A review has to be made of its operations by Gatt by July, 1985. Soon after Easter the EEC, which negotiates as a unit on trade policy, will have to discuss its attitude.

Within the EEC, the UK's attitude could well be crucial, because of the country's pivotal position between the relatively liberal Germans and the traditional protectionist French and Italians.

Decisions on the MFA are likely to have key importance for world trade. Textiles are more heavily protected internationally than any other sector apart from agriculture; and the industry has been given decades to adjust to import competition.

Even now, developed countries import more textiles and clothing from each other than they do from the ldcs. On the other hand, these products account for one-quarter of the ldc exports of manufactures, compared with less than 6 per cent for developed countries. The import quotas go largely to Hong Kong, Taiwan and Korea; and the worst sufferers are the poorest newcomers among the ldcs.

If there is no major textile liberalisation in the coming renegotiations, it is difficult to see how the new Gatt round of multilateral trade negotiations, for which President Reagan has called, can achieve results worth mentioning.

Because of the wider implications, there has been more readiness on the part of the British Government to at least examine the future of the MFA than might have been expected, and the Department of Trade and Industry commissioned Prof Z. A. Silberston of Imperial College — one of the few leading economists who have specialised in industrial policy and who is far from a doctrinaire free trader — to make a report on the effects of the MFA on the UK economy.

The strongest argument for free trade is the basic one that the consumer should make his or her own decisions on whether to buy home or imported products; and that (for a given level of capital flows) there is usually an exchange rate at which sufficient exports can be sold to pay for the imports. A country that uses world markets to the full will normally have a higher national income than one that aims for any given degree of self-sufficiency.

Inevitably, estimates of the gains in particular cases will be more speculative than the general case for free trade. Because Prof Silberston has very honestly emphasised the large margins of uncertainty in his own estimates, his report has been challenged by textile industry spokesmen. It seems to me, on the contrary, that he has leaned over backwards in favour of the domestic industry on doubtful points.

His central finding is that the abolition of the MFA would reduce UK import prices of textiles and clothing by 5 to 10 per cent, UK ex-factory prices by 5 per cent, and retail prices by 5 per cent. The gain to consumers is valued at £500m per annum (at 1980 prices).

The 10 per cent reduction in import prices could well be on the low side.

It is also difficult to see the justification for halving the effect on retail prices of the 10 per cent fall in import prices.

Moreover, the UK clothing industry, while it will have to face greater competition, will benefit from freer access to textile supplies and opportunities to buy at lower cost.

Employment in the UK industry is likely to fall whatever happens to the MFA. It has already fallen since 1972 by nearly 50 per cent in textiles and 60 per cent in clothing. In 1983 there were 486,000 workers employed in textiles, clothing and household textiles; amounting to 9 per cent of manufacturing and 2 per cent of total employment.

According to Cambridge Econometrics from whom Prof Silberston commissioned the studies, textile and clothing employment will in any case fall by the late 1990s by another 50 to 60 per cent, or 250,000. This fall stems partly from an expected drop in output, but much more from an expected sharp rise in gross output per hour.

The latter may itself be connected with protection. A Trade policy research group study: *Costs of Protecting Jobs in Textiles*, 1, Gough Square, London EC4, drawing on U.S. and German experience, suggests that labour-saving investment is a characteristic response by industries enjoying protection, of uncertain extent and duration, from low wage imports. Thus the jobs which protection is designed to save may in any case disappear.

WORLD TEXTILES TRADE

Exporters	1982 ($bn)	Importers	1982 ($bn)
Germany (Fed Rep)	5.48	Germany (Fed Rep)	4.81
Japan	5.09	France	3.43
Italy	4.01	UK	3.34
U.S.	2.77	Hong Kong†	2.97
Belgium-Luxembourg	2.72	U.S.	2.85
France	2.68	Italy	2.12
Korea (1981)	2.45	Soviet Union	2.00
China	2.20	Belgium-Luxembourg	1.75
UK	2.02	Netherlands	1.61
Netherlands	1.78	Japan	1.61
Taiwan	1.75	Canada	1.13
Switzerland	1.37	Australia	1.11
India (1980)	1.14	Austria	0.94
Austria	1.02	Singapore	0.88
Pakistan	0.93	Switzerland	0.86
Above countries as a percentage of world exports	73%	Above countries as a percentage of world imports	61%

† Includes imports for re-export

Source: The Silberston Report

WORLD CLOTHING TRADE

Exporters	1982 ($bn)	Importers	1982 ($bn)
Hong Kong	4.73	U.S.	8.79
Italy	4.41	Germany (Fed Rep)	6.71
Korea (1981)	3.86	Soviet Union	2.68
Taiwan	2.90	UK	2.62
Germany (Fed Rep)	2.52	France	2.60
China*	2.20	Netherlands	2.13
France	1.82	Japan	1.83
UK	1.47	Belgium-Luxembourg	1.44
U.S.	0.99	Switzerland	1.39
Belgium-Luxembourg	0.75	Sweden	1.08
Romania	0.71	Hong Kong (1980)	1.06
Netherlands	0.69	Canada	0.84
Finland	0.65	Austria	0.78
Portugal	0.65	Italy	0.68
Yugoslavia	0.61	Norway	0.66
Above countries as a percentage of world exports	71%	Above countries as a percentage of world imports	86%

* Derived from imports of developed countries: Hong Kong and Singapore

Source: The Silberston Report

Be that as it may, the Cambridge Econometrics projections suggest that a 10 per cent fall in textile import prices, resulting from the end of the MFA, will reduce employment by only another 10,000, in the 1990s, taking the peak effect.

So anxious is Prof. Silberston to be fair that he supplements Cambridge Econometrics by a Canadian study of the effects of lower prices on supplies, which if applied to the UK, might suggest a 24,000 fall in employment in relation to the present labour force, and he then advances some arguments for doubling the number to about 50,000. Not merely can one be sceptical of the doubling; it might be more reasonable to apply the relationships to the reduced labour force of the 1990s than to present employment.

But there is another side. If UK textile imports rise, UK exports will have to increase as well to pay for them. The export gain might be brought about both through developing countries having more foreign exchange to spend and through a depreciation of the importing exchange rate.

Cambridge Econometrics have a more optimistic view of export gains. This is based on the lower overall level of UK prices, induced by cheaper textiles, feeding through into wages and thus resulting both in more competitiveness and in higher real consumer income.

Having been sceptical of this kind of model in the past, I am not going to jump aboard it to make a debating point. The most neutral and natural assumption is that over time, the gain in export jobs would roughly equal the job loss in the textile sector, whether the latter was 10,000 or 50,000. It is, however, reasonable to add that a lower overall price level would mean more jobs under anything like the present official financial strategy.

One moral is that macro-economic assumptions crucially affect micro-economic inquiries; and the two forms of analysis need to be intertwined. But it is, nevertheless, possible to go a good way on the micro-economics alone. On Prof Silberston's figures, the loss to consumers from protection amounts to over £10,000 pa per textile job saved, even on the very highest extreme assumptions about the employment effects and before taking into account jobs gained in other industries. This sum is more than the average value added (and a *fortiori;* more than overage earnings) in textiles.

The literal payment of compensation might not be practical or equitable in relation to other workers losing jobs for reasons unconnected with trade liberalisation. At the very least, some redrawing of the boundaries for regional aid would be advisable; and perhaps some special attempts to attract other work for women part-time workers, who are particularly important in textiles.

But to retreat behind MFA barriers out of sympathy for those incurring the costs of change—or more likely out of deference to their MPs—leads in Prof Silberston's words, "in the direction of avoiding change and flexibility and of gradually weakening the economy in consequence of this."

Professor Silberston does not provide a cut-and-dried reform plan. The logic of his report would point to a larger increase in quotas in the first few years of the new MFA, leading up to their complete abolition by the 1990s.

The best *quid pro quo* for the textile industry would be the elimination of controls, high tariffs and restrictions which many of the developing countries—especially Taiwan and South Korea—maintain on their own textile imports. Developed countries also restricts imports from each other outside the MFA framework, but they may be more difficult to negotiate away.

If the domestic textile industry asks why it should be singled out for liberalisation, one can point to the amount of past protection. But a better answer is not to single it out, but make the phased elimination of the MFA part of the great trade-off, for which I have frequently argued, in which all the special privileges and distortions, fiscal, tax and regulatory, whichever class or region of the country they affected, were all phased out together. The grand slam might be more politically successful than the case-by-case approach if the issues were put to the test.

Lombard

Lack of vision in Cambridge

By Christopher Lorenz

IT SEEMS churlish to challenge the idea that small is beautiful in business. After all, one of the most promising developments in Europe since the late 1970s has been the belated recognition that economic regeneration depends heavily on the creation of enterprises, especially in high technology.

Yet this newly ingrained conventional wisdom is in need of qualification. Far too little thought has yet been given to whether, and how, this flowering of enterprise can, as in the U.S., bloom into a large number of what the Americans call threshold companies, and then into the Apples, Wangs and Hewlett-Packards of the world market.

With all the lack of debate on this issue, it is as if the Europeans believed it was enough for a thousand seedlings to grow inside the new venture greenhouses of Cambridge, Munich, Grenoble, and all Europe's other nascent Route 128s and Silicon Valleys. They seem not to realise that if the real Boston and San Francisco effects are to be emulated in Europe, many of the seedlings will need to become sturdy plants capable of surviving in the much tougher environment ofi nternational adulthood.

The traditional European barriers to business growth are well recognised: fragmented markets, excessive government regulation, inflexible labour markets, lack of finance, and inadequate entrepreneurial drive. Yet with changes in government policies, more realism on the part of most trade unions, and a flowering of financial markets, many of these barriers are being lowered. This is especially true in Britain, where the explosion of venture capital and the creation of the Unlisted Securities Market have filled most of the previous financing gaps.

With further alleviation of Government red tape in sight, the over-riding barrier to achieving threshold status from a British base is now the skill of the managers themselves. Going international, running a rapidly changing product line, and managing an increasingly complex organisation are all managerial challenges of the highest order — as Acorn has found to its cost.

The narrowness of the managerial horizons of many small British companies is brought home by this week's consultancy report on The Cambridge Phenomenon* — the remarkable springing-up of several hundred high-tech companies around Cambridge University during the past six years.

A fascinating study of all the factors which have created this boom, it nevertheless makes gloomy reading. The authors say they were struck by how many Cambridge companies are consciously restricting their growth, to a level of between 50 and 200 employees. They think a few could grow into large international businesses, but consider that "it seems to be a particular American skill to be able to mobilise all the requisite resources to grow a new technology enterprise into an enormous, fully integrated company in a short time."

Therein lies the rub. From the point of view of the individual entrepreneur who wants to continue to manage informally it is perfectly legitimate to limit his or her company's growth, although in an increasingly international marketplace this can be dangerous. But for the national economy it is a missed opportunity, and a loss potential wealth and income.

The consultants are also concerned that what they term "the country's strategic economic interests" may not be best served by the extent to which Cambridge companies have already begun to be taken over by American, rather than British, big business. "It is a matter for concern in the UK that major national companies have so far apparently been unable to play this role," they argue.

On both fronts, the Cambridge study indicts the lack of vision being displayed by managers of indigenous companies, both large and small. It is not surprising that Britain lacks not only its Apples and Wangs, but also its revitalised giants.

* *Available from Segal Quince and Partners, 42 Castle Street, Cambridge CB3 0AJ, £16.40 including postage.*

Letters to the Editor

Monetary control

From Professor D. Wood

Sir,—The Chancellor and the Treasury in turning to the problem of real wages are perhaps seeking a new policy avenue in the light of growing difficulties with monetary control.

The need to do this arises because target rates of monetary growth, the focus of economic policy in recent years, have only a tenuous connection with the relationships and predictions in the Quantity Theory. After several years of missed targets and base drift they have none at all, and in 1985 we appear to be faced with monetary conditions far more lax than those applying in 1979.

	M1/ gdp	M3/ gdp	PSL2/ gdp	Inflation
1979	0.177	0.334	0.641	10%
1984	0.192	0.403	0.668	5%

In this situation monetary targets, even if achieved, appear to bear little relationship to underlying monetary conditions, nor do the monetary conditions themselves appear to be closely related to inflationary pressure, thank goodness!

In moving to real wages as an issue the Chancellor seems to be relying on the same absence of direct policy control and the same obscurity in the beneficial consequences to give him a run for his money. Like others though, I am surprised that lower real wages are expected to delay capital substitution and hence help unemployment when capital goods are more labour intensive than finished goods and when corporate sector cash flows (the main beneficiary of lower wages) are the principal determinant of investment.

(Professor) Douglas Wood.
Manchester Business School, Booth Street West, Manchester.

Exchange rates

From Mr G. Kramers

Sir,—Samuel Brittan writes (February 11) under the heading "Don't go by the dollar rates" that it is wrong to judge the behaviour of sterling by the sterling/dollar exchange rate but he ignores the Eurodollar markets.

Although the US Administration has always disclaimed responsibility for the Euro-dollar market it exists and interest payments which are payable in dollars must have a considerable effect on the sterling/dollar exchange rate.

If European countries earn a surplus on their trade with the UK then the surplus can be converted from sterling into dollars in order to service the dollar denominated debt.

Mr Brittan should get togther with Anatole Kaletsky (February 7) to estimate the total of the outstanding debt denominated in dollars which has been negotiated through the Eurodollar market and then estimate the annual interest payable on that debt.

The figures will help to explain why the dollar is strong and why sterling is weaker than the German mark and most other European currencies.

G. H. Kramers.
Partingdale Lodge, Partingdale Lane, Mill Hill, NW7.

Sassenach repulsed

From M. D. Fettes.

Sir,—I was interested to read of Barry Riley's concern (February 7) over the purchase of 34 per cent in Bank of Scotland by Standard Life. He states that he has failed to track down any statement on paper giving the reasons why Standard Life has made an investment of £155m in a banking institution.

The financial services sector of our market has over the last decade become increasingly more sophisticated. The institutions have made substantial in roads into all aspects of financial services from investment through insurance broking to banking. It is evident that the next decade will see an acceleration of this sophistication and any institution which wishes to survive in this market must expand the services it offers to the public.

Most of the institutions, including the banks and building societies have seen this neod and have taken steps to fulfil it. We now see the banks with major insurance broking facilities and the building societies are in a position to offer cheque facilities to investors.

It has, however, been interesting also to note that the only institutions which have not taken steps to expand their services have been the life insurance companies. They have traditionally offered life insurance policies, some of which are linked to investments, and in certain cases loan facilities. In the terms of our future market this is a very narrow range of facilities which will in many instances exlude possible business in the future.

I would therefore suggest that it is inevitable that an insurance company should purchase a bank, the lead having been set by Hambro Life which purchased Dunbars last year. Inevitably such an investment by Standard Life is not only a long-term investment in itself but is also an investment in Standard Life's own future in the market. I would suggest that Standard Life be applauded for its foresight rather than criticised for its extravagance.

David Fettes.
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Penalties of motherhood

From Mrs A. Hardie

Sir,—I was interested in the article, "The penalties of motherhood" (January 31), which suggested that the income foregone by a woman who has two children may be £46,000 to £49,000, even if she continues to work. Reflection suggests that the loss of real income must be much less than this, because the additional costs of holding a well-paid, high-status job do not appear to have been allowed for.

A woman who works in this sort of job, say for a multinational company in central London, must spend far more on fares, lunches, clothes, shoes and hairdressing, than a woman who works part-time in a less demanding job, in her local area. The former could easily spend £8 to £10 more per week on fares, and will often go out for lunch with colleagues, and must maintain a smart appearance for presenting work to senior management, meeting clients, attending business lunches, going to conferences and travelling at home or abroad. The extra costs could easily come to £20 to £25 a week, or £36,000 to £45,000 over 36 working years. Also, running her home will cost more, in payments to other people to do cleaning, gardening or decorating, in greater reliance on convenience foods and in a tendency to throw things away rather than repair them. Once these other aspects are allowed for, it seems unlikely that the loss of income from having children is anywhere as great as suggested in the article.

As a mother in full-time work, however, I do welcome the suggestion that the after-tax cost of child care should be reduced. At the very least, I would propose that a working mother, who employs someone full-time to look after her child, should be entitled to claim tax relief on the employers' National Insurance contributions. After all, a company does not pay employer's NI contributions out of taxed income, so why should an individual employer have to do so?

Alexandra R. Hardie (Mrs),
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Accounting for software

From Mr A. Benjamin

Sir,—Lex has raised an interesting point in relation to software accounting (February 7). He maintains that software is too uncertain in its marketability to allow its development costs to be capitalised, as brokers and the U.S. Accounting Standards Committee now believe can be done.

The nature of software development is similar to other product development although its value is difficult to assess, mainly because of fast changing markets. Unlike, for example, a jumbo jet where development costs can be capitalised because "it will eventually be sold." There is a distinction and Lex is right to resist putting uncertainty into asset values for investment purposes.

Yet one has an uncomfortable feeling that from the standpoint of assessing a company's future, writing off brainpower because of an auditor's uncertainty might lead to two unwelcome conditions. The first relates to raising capital, whereby the assets are potentially undervalued and the second is that investment judgments are only seen as being tactical. That may be true for some investors, but if it becomes true for all, then we are lost.

Strategic investments must attempt to value the future revenue streams and (yes) the potential social benefits of software research and development. To do this, perhaps a separate value system should be developed and used. One where a test can be made of the direction and the strength of the market analysis relating to the research and development.

One can see the problems here with regard to confidentiality and inside information. But to write it off totally, cannot be right either. We accept directors' valuations of stocks without too much bother and few auditors can genuinely certify an inventory's net realisable value in the market. High cost and obsolescence applies to a growing number of goods so that software is no different. There must be a better way. Researchers notice too, and are not motivated to see their year's work written off as having no value.

Alan A. Benjamin,
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FINANCIAL TIMES

Thursday February 14 1985

Labour wins plea for wider debate on secrets

By Margaret van Hattem, Political Correspondent, in London

THE OPPOSITION Labour Party in Britain has succeeded in its attempt to widen a proposed Westminster debate on the sinking of the Argentine cruiser General Belgrano into the wider issue of the trial of Mr Clive Ponting, the *civil servant who* was cleared this week of leaking official documents on the Belgrano affair.

Labour and the Social Democratic Party/Liberal Alliance yesterday challenged Mrs Margaret Thatcher, Prime Minister, in the House of Commons, to open the case for the Government in the debate which will take place next Monday. They are urging her to clarify ministerial involvement in the decision to prosecute Mr Ponting under a section of the Official Secrets Act. They also claim that parliament was misled over the sinking of the ship during the Falklands war.

Mr Ponting was cleared unanimously by a jury on Monday of passing documents to Mr Tam Dalyell, a Labour MP who has been a persistent critic of the Thatcher Government over the Belgrano affair.

Mrs Thatcher did not appear last night likely to take up the challenge of opening the debate. There were strong protests at a shadow Cabinet *meeting* last *night over* indications that Mr Leon Brittan, the Home Secretary, and Mr Michael Heseltine, the Defence Secretary, are scheduled to lead for the Government in the debate.

As letters continued to fly between Downing Street and Westminister yesterday, the leaders of the Alliance parties joined Mr Neil Kinnock, the Labour leader, in pressing Mrs Thatcher to give full details of ministerial involvement in the prosecution of Mr Ponting.

Mr Kinnock, in reply to a second letter from Mrs Thatcher on Tuesday night, refused once again to retract his *statement* that he did not believe her denial of involvement in the decision to prosecute.

He would not do so, he insisted, until parliament had been given "full and adequate" explanation of how the decision had been authorised when Mr Ponting had said, while under oath, that he "had been given to understand that he would not be prosecuted but allowed to resign."

Dr David Owen, the SDP leader, and Mr David Steel, the Liberal leader, while accepting Mrs Thatcher's denial in the Commons on Tuesday that she was involved in *the decision to prosecute, attempted* to shift the focus of the growing row away from the process of the prosecution to the wider issue of ministerial attempts to mislead parliament over the sinking of the Belgrano.

This, said Mr Steel, was only a side issue. "What the House and the public are entitled to know is who authorised the whole series of misleading statements about the sinking of the Belgrano.

"The continued efforts to mislead parliament were exposed in the trial, and it is on this that the debate on Monday should focus."

Mr Bernard Weatherill, the speaker (*chairman*), resisted concerted attempts by Tory back benchers yesterday to persuade him to alter his ruling on Tuesday that Mr Kinnock was not out of order in saying he did not believe the Prime Minister.

The ruling, Mr Weatherill insisted, was correct and in no way incompatible with precedents cited by Tory MPs.

Mr Heseltine insisted that he was not involved in the Ponting prosecution until after the matter was referred to the law officers. "I was in no way part of the decision; nor in any way did I influence the decision of the law officers," he said.

Suez precedent, Page 6; Editorial comment, Page 22

Brussels set to veto UK scheme for textile aid

BY ANTHONY MORETON, TEXTILES CORRESPONDENT, IN LONDON

THE EUROPEAN Commission in Brussels is expected today to veto Britain's £20m ($21.6m) aid scheme for its textile industry.

The plan, announced in the 1984 budget last March, was aimed at medium-sized and small concerns in textiles, clothing and footwear and was to have been spread over four years.

It immediately fell foul of the Commission's competition directorate (DG4) and its director general, Mr Manfred Caspari.

The directorate was supported by the commissioner, Mr Frans Andriessen, when the commission changed at the start of this year the new commissioner, Ireland's Mr Peter Sutherland, sent the matter *back to the directorate for review.*

DG4 repeated, however, that it was seeking to abolish state aids and stood by its view that the British scheme fell outside the limits of what might be done.

The Commission has been taking an increasingly tougher line towards state aids towards the textile industries of Europe despite the severe knocks these have received since the recession began in 1979.

Most of the Commission's activities up to now have been against national plans, such as the British and French, for industry in general. Its latest line of attack appears to be broadening into an attack on aids to specific companies.

The action against France, Italy and Belgium was only taken after

The industry has lost at least 100,000 workers a year for the past 10 years and now employs fewer *than 2.5m.*

The Commission took a particularly strong line against France's 1982 textile plan and forced its withdrawal because it was said to offer "unfair assistance" to the sector.

It also took positive steps to get Belgium to withdraw measures considered to be against its competition policy and attempted to crack down on Italy's back-door aids to industry.

each country had paid out large sums to their industries in support schemes. The British plan has been vetoed before a penny has been spent.

The French already have an alternative scheme to make FFr 1.5bn ($150m) available in soft loans to the textile industry this year. No such plans appear to exist in London even though the EEC veto has been signalled for at least six months.

Exemption for Sweden "ineffective," Page 4; Case against protectionism, Page 23

German steelmakers seek strict policing of subsidies cut-off

BY PETER BRUCE IN BONN

THE WEST German steel industry served notice yesterday that it seriously doubts whether the European Commission can stop state subsidies being paid to steel producers in the Community by its December 31 1985 deadline.

Herr Ruprecht Vondran, director of the German Iron and Steel Association, insisted that the German steel producers and, he hoped the Bonn Government, intended to press strongly for the maintenance of the deadline but released details of retaliation which the German steel industry planned to take if subsidies continued to be paid out in the EEC next year.

The plans, the mere existence of which is a measure of the unease among German producers, include:

- Calling for cuts of 1m tonnes in rolled steel production capacity for every extra DM 1bn ($303.9m) received by a European producer next year.
- Demanding the extension to West German producers of an extra 475,000 tonnes of rolled steel production quota for three years for every extra DM 1bn paid out to competitors in the EEC.
- Seeking stricter Commission supervision over the pricing policies (and activities) of producers still receiving subsidies next year in order to prevent them being able to cut prices at the same time.
- Demanding tax concessions from Bonn should the German Government fail to hold the Commission to its deadline.

Herr Vondran also pointed out that without German acquiescence the deadline could not be legally altered. Urging Bonn not to compromise, he warned that if subsidies were paid out anyway the German producers would resort to the European Court.

Herr Vondran's comments come just ahead of a meeting in Rome tomorrow of EEC ministers responsible for steel, and can be taken as an attempt to stiffen the resolve of Herr Martin Bangemann, Bonn's Economics Minister.

Although the ministers are meeting primarily to discuss a topping up of subsidies to Italy, France, Belgium and Luxembourg for this year, the December deadline is so close, and beginning to look so improbable, that fears about next year are bound to feature in the talks.

The main German fear, shared by the British and the Dutch, is that the Italian and French steel industries will not meet the deadline.

Italy has asked for an extra DM 5.3bn to be paid out at this late stage and the French want an extra DM 3.5bn.

In return for permitting these subsidies the Commission usually demands production capacity cuts as part of its four-year-old crisis regime designed to slim the industry down and return it to competitiveness.

The Germans believe, however, that even with the capacity cuts made in Italy and France, their industries will not be able to stand alone by the end of the year. A sum of DM 5.3bn to Italy would push subsidies to steel in that country to DM 15.2bn this year alone, almost matching turnover at Finsider, the Italian state producer, in 1983.

It would be almost impossible, it is said, to spend that much money in the next 10 months. Germany's producers are being paid out only DM 1.1bn this year.

Failure to meet the deadline is likely to test the brittle unity among EEC producers to the limit, expecially on prices. Signs of this are already beginning to emerge with the Italians showing only mild enthusiasm for price increases which the Germans and British want to make in the next few months.

Hopes among the German producers that Herr Bangemann might be able to threaten other negotiations among EEC partners if the steel deadline is not adhered to are also thought to be optimistic, particularly as Bonn is already out on a limb over proposed grain price cuts in the Community this year.

W. German groups win more contracts with China

By John Davies in Frankfurt

WEST GERMAN electrical engineering companies are building up their business with China as part of the new momentum in trading relations between the two countries.

In big new projects, Siemens and AEG are to supply and install electrical equipment for a wide-strip hot rolling steel mill to be built at Baoshan. The business is worth about DM 300m ($90m) for Siemens and DM 100m for AEG.

A contract for the Baoshan project, to cost about DM 1.4bn, was won recently by a consortium led by Schloemann-Siemag, a member of the Gutehoffnungshütte engineering group. Japanese companies were also strongly in the running for the contract, which had been shelved for several years.

Schloemann-Siemag said yesterday that the suppliers were not involved in any financing or countertrade deal with China. They would receive cash.

The Baoshan mill, with a capacity of 4.2m tonnes a year, is due to start production in 1988.

Another electrical project worth DM 190m is to be carried out in China by Siemens and Brown Boveri, the Swiss-West German electrical group. They will deliver equipment to be used with a high-voltage direct current transmission line, which is to carry power about 1,000 km to Shanghai from hydro-electric power stations on the Changjiang river from 1988.

Siemens said yesterday that the latest projects were by far the largest on the company's current order books from China. With the Chinese building up their industrial infrastructure, Siemens was picking up a steadily rising number of deals there, the company said.

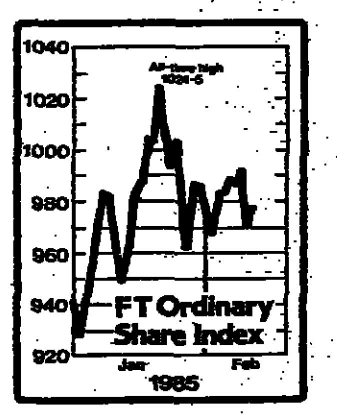
West Germany's annual exports to China have been fluctuating between DM 2bn and DM 2.7bn over the past six years. It has a trade surplus with China although imports have been steadily rising and are now well over DM 2bn a year.

With China striving to build up its economy with Western knowhow, West German and Chinese trade officials expect that their total trade will more than double by 1990.

A select group of senior industrialists accompanied Chancellor Helmut Kohl on a visit to China last year, and many business deals are being pursued or negotiated with the Chinese at the moment.

THE LEX COLUMN

Deeper purpose at Dee?



If in doubt, buy dollars was yesterday's line, and the only doubt strong enough to put dealers off was the fear of central bank intervention. Early rumours of this steadied the D-Mark and pound, but as soon as New York traders saw the Bundesbank had sold just $9.4m at the fixing, they reckoned they would have an easy ride to DM 3.30 and beyond. At the moment, intervention without concert or *conviction looks like money down the* drain.

Booker/Dee

Dee Corporation has renewed its *offer for Booker McConnell* in the strangest of circumstances. To launch an offer which Dee has had a full three weeks to consider at the inhospitable hour of 7pm is odd enough in itself; but for Dee to leave it hopelessly unclear whether it actually wants to buy the Booker business is downright bizarre.

Last night's terms bore the unmistakeable hallmark of Morgan Grenfell, which is establishing quite a reputation for excessively sophisticated takeover tactics. The equity offer has been pitched right on the Booker share price, with the cash alternative trailing miles behind as an awkward concession to the takeover rule book.

Dee's advisers might just about be able to argue that the equity terms represent a genuine offer for Booker, were it not for the accompanying statement that Dee reserves the right to sell Booker shares in the market. Whether this approach is designed to depress the Booker price and so facilitate the paper offer – a tactic adopted by Avana with mixed results in the past – or whether Dee is genuinely as happy to sell out at a profit as to pursue the bid is a mystery. Either way, the terms presented last night will quite properly be rejected by Booker as camouflage for some deeper purpose.

When Dee launched its initial offer for Booker, it was able to present a respectable case for the takeover on the grounds of superior management. Since then, however, *Booker has largely put its house in* order, while Dee has taken on the additional management burden of International Stores. And the market may now be less tempted by the prospect of taking Dee paper, which *is not exactly a scarce commodity* any more.

So this time Dee will face a real challenge. It cannot afford to offer much more without diluting its own earnings and swamping the market with new paper. It may of course be *hoping* to winkle out a counterbidder by setting an effective floor price at this early stage. But if Dee really is serious about taking over Booker, then making an ambiguous offer long after the market has closed is no way to set about the matter.

Ward White/Fosters

Ward White's offer for the Foster Brothers mens wear chain is a much more straightforward affair, but it is bold even by the standards of a group which in a few years has buried its origins as a shoe manufacturer in a flurry of retailing acquisitions.

Even before Ward White earned City approval with last year's excursion into motor accessories with Halfords, it had its eye on Fosters' and yesterday's bid was timed perfectly even down to the stock markets' more cheerful mood.

Having consistently performed worse than the market since the turn of the 1980s, Fosters enjoys a reputation no more sparkling than its workaday mens wear. Profits have been hurt by a substantial refurbishment of stores of which Ward White seems heartily to approve and could well be set to enjoy.

At yesterday's closing Ward White share price – down 7p to 218p – the bid values Fosters at 182p er share. An exit price/earnings ratio *of just under 18 does not look mean* in relation to the sector and Ward White is offering a hefty premium to net asset value.

A good portion of Fosters' property portfolio, at £23m in the last report and accounts, is valued at 1974 prices. The very modest premium in Fosters' share price, which closed yesterday 48p up at 186p, does not suggest the market thinks another buyer is about to snap these up.

Fosters will, no doubt, argue that Ward White has struck at just the time it was coming to terms with a more aggressive retailing environment. It is still, however, having difficulties with Natco in the U.S. and its return on both sales and capital employed is well adrift of Ward White.

The predator will only have to make a modest £10m from Fosters next year to prevent dilution in earnings per share, while its shareholders will enjoy an uplift in asset backing.

The question is whether Ward *White is in a position* to double its retail outlets with this excursion into new territory so soon after taking over Halfords.

BOC

The stock market and BOC did not end 1984 on exactly the best of terms. The group's equity underperformed the market by roughly a third in the course of the year and every one of BOC's quarterly announcements produced a fall in the share price. For a group which prides itself on investor relations, it was all rather embarrassing.

So far 1985 has been a different story. Meetings in the City have helped to perk up the rating and yesterday's first quarter statement lifted the share price another 12p to 304p. Profit estimates of £160m pretax for the full year are rapidly being replaced by figures of £175m and more.

Yesterday's results for the three months to December showed a 47 per cent rise in pre-tax profits to £38m and provided all the evidence of a tough attack on costs that the City had been looking for. The carbon electrode business in the U.S. is still losing money, thanks to the strength of the dollar, but BOC has mothballed some capacity and cut overheads *out* elsewhere, with the result that carbon and carbide is now running at break-even overall.

The medical equipment business has received similar treatment and is now back on track, while the U.S. *welding operations* have been reduced to a size which renders them pretty innocuous in group terms. If the problems of last year have indeed been laid to rest, then BOC has every reason to expect a further rerating. *Profits* of £175m, taxed at 32 per cent, would leave the shares on a multiple of just over 11 times, which in today's market is hardly extravagant.

Strasbourg plea on terrorism

By Quentin Peel in Strasbourg

EUROPEAN MPs yesterday called for a European Court to try terrorists, formation of joint European anti-terrorist squads and an EEC-wide system of identity cards as part of the battle to combat the growth of terrorism.

A whole range of ideas to step up co-operation were proposed by the MEPs as they condemned their respective governments for a failure to act more swiftly and coherently to fight the recent wave of violence, assassinations and bomb attacks in the Community.

They welcomed the plan for an informal meeting of European justice *ministers, agreed by foreign* ministers in Rome, on Tuesday. But they called for further measures to ensure the extradition of terrorists between member states, their arrests and their conviction.

Sig Roberto Formigoni, chairman of the European Parliament's political committee and an Italian Christian Democrat led the calls with a proposal for a European court, or at least judicial co-operation and the establishment of a centre for pooling the study and information about terrorist movements.

Setback for hopes on UK coal talks

BY JOHN LLOYD AND PHILIP BASSETT IN LONDON

PROSPECTS of a renewed round of negotiations between Britain's *National Coal Board and the miners'* union looked slimmer than ever last night as the latest Trades Union Congress (TUC) initiative to restart talks seemed set to falter.

Though the search led by Mr *Norman Willis, TUC general secretary,* for a formula to restart discussions is still continuing, the TUC's efforts are becoming marked by increasing desperation, and may even fail completely later this week.

This emerged as:

- Officials of the pit deputies' union Nacods met Mr Peter Walker, Energy Secretary, to press for more talks on the coal dispute.
- Leaders of South-Wales miners called on the leadership of the National Union of Mineworkers (NUM) to mount a special delegate conference to "discuss the situation in the coalfields."
- NUM leaders in Yorkshire decided to comply with a High Court ruling ordering the ending of mass picketing in the area.

The TUC is continuing to try to thrash out a form of words which could meet the coal board's demand that the union focus primarily on *the closure of uneconomic pits in* any new round of negotiations.

TUC officials were in contact again yesterday with Mr Arthur Scargill, NUM president, after direct talks on Tuesday evening between the TUC and the coal board, led by Mr Ian MacGregor, its chairman.

Little progress seems to have been made in the discussions. Mr Scargill is understood to have accepted one suggestion by the TUC that the union should acknowledge the management's responsibility for effective management under the industry's Nationalisation Act, but Mr Scargill is believed to be still refusing to accept the NCB's final right to decide on a pit's future after an independent assessment.

The TUC's attempts come as the Government and the coal board are becoming increasingly convinced that a negotiated settlement should only be concluded on the board's terms and that an end to the strike without an agreement is acceptable. Another 243 miners abandoned the strike yesterday morning.

In the meeting between the Nacods union and Mr Walker, the Energy Secretary, there were apparently no new initiatives. The Government said afterwards that Nacods had been given the reassurance it wanted *as far as its own settlement* with the board last autumn was concerned.

Dee in new bid for UK food group

By Alexander Nicoll in London

DEE CORPORATION, the British supermarkets group headed by Mr Alec Monk, last night launched a £328m ($354m) bid for Booker McConnell, the agribusiness and food distribution group, after keeping its target and the City of London guessing until within hours of a midnight deadline.

Dee had until yesterday to relaunch last June's bid, three weeks after receiving clearance from the Monopolies Commission. If it had not done so, takeover rules would have barred it from making a new offer until June.

Mr Monk, who had allowed suspense to build by saying nothing about his intentions after getting the Commission's go-ahead, heightened it still further in revealing the terms of the new bid. Not only is it pitched at Booker's current market price – with no bid premium – but Dee also disclosed that it had sold *some of its holding of Booker* shares.

Mr Jonathan Taylor, Booker managing director, responded: "This is clearly not a serious bid for Booker McConnell. It is either a device to extend the period for considering his options, or else it is an ingenious, technical, gimmicky way to sell shares."

Terms of the offer are 125 Dee shares, which closed yesterday at 208p, down 1p, for 100 Booker shares, or 100 Dee shares plus £50 of loan stock for 100 Booker shares. The offers value Booker shares at 260p and 258p respectively, virtually the same as Booker's closing price yesterday of 259p, up 5p.

There is also a cash alternative of 191p per share – made only because Dee was required to make a cash offer at the highest price it had paid for Booker shares.

Dee said it had sold 4.98m Booker shares recently, reducing its stake to 20m or 16 per cent of Booker's equity. It added that: "If at any time Dee considers that the market price of Booker McConnell shares is unrealistic, Dee may continue to sell shares in the market."

See Lex

Seoul opposition surges

Continued from Page 1

the assembly. The NKDP will receive 67 seats. Mr Nam Jae-Hee, a senior member of the DJP, said the election was a "setback" for the party, *which would be forced to* reconsider its political programme and its approach to the people.

The NKPD campaigned on a platform of harsh criticism of the government. Party leaders openly questioned the government's legitimacy and called for an end to military rule in the country. Mr Chun who came to power after a military coup in 1980 was openly attacked as a military dictator by some candidates. Mr Kim, on the other hand, was treated as a hero. The appeal evidently paid off with the electorate.

The success of the NKPD was all the more impressive because of the *party's organisational* weaknesses. The party was formally inaugurated less than a month ago, and is led principally by politicians released from a political black list at the end of last November.

The vote swept into office many comparatively unknown candidates on the strength of the party's platform and reputation as a genuine opposition party. This surprised many observers, who expected only the party's more well known candidates to be successful.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	11	52	Dubrovnik	S	4	39	Malaga	F	20	68	Salzburg	–	–	–
Akrotiri	S	19	66	Faro	C	17	63	Malta	R	14	57	Seoul	C	–3	27
Algiers	S	19	66	Florence	S	5	41	Manila	S	35	95	Singapore	F	31	88
Amsterdam	S	–4	25	Frankfurt	S	–7	19	Miami	F	20	68	Stockholm	S	–9	16
Athens	F	15	59	Funchal	F	20	68	Milan	S	2	36	Strasbourg	C	–7	19
Bahrain	S	20	68	Geneva	Sn	–1	30	Moscow	S	–13	9	Sydney	S	27	81
Bangkok	S	34	93	Gibraltar	C	17	63	Munich	S	–7	19	Taipei	C	16	61
Barcelona	S	17	63	Guernsey	C	3	37	Nairobi	–	–	–	Tangier	C	17	63
Beirut	F	21	70	Helsinki	S	–13	9	Naples	S	8	46	Tehran	–	–	–
Belgrade	C	–11	12	H. Kong	R	14	57	New Delhi	S	22	72	Tel Aviv	S	23	73
Berlin	S	–5	23	Innsbruck	S	–2	28	New York	R	9	48	Tenerife	–	–	–
Biarritz	C	15	59	Inverness	F	–3	27	Nice	C	6	43	Tokyo	S	13	55
Blackpool	S	1	34	Istanbul	C	–4	25	Oporto	C	14	57	Toronto	Sn	3	37
Bordeaux	C	12	54	Jersey	C	2	36	Oslo	S	–8	18	Tunis	C	16	61
Brussels	S	–6	21	Jo'burg	C	24	75	Paris	F	–1	30	Valencia	S	17	63
Budapest	S	–8	18	Las Palmas	S	19	66	Prague	S	–10	14	Venice	S	0	32
B. Aires	F	25	77	Lima	F	26	79	Reykjavik	S	0	32	Vienna	S	–11	12
Cairo	S	26	79	Lisbon	C	15	59	Rio de J'o	C	38	100	Warsaw	F	–11	12
Cape Town	S	28	82	Locarno	C	2	36	Rome	F	6	43	Zurich	Sn	–7	19
Caracas	C	27	81	London	C	–2	28								
Casablanca	S	19	66	Los Angeles	S	30	86								
Copenhagen	S	–5	23	Luxembourg	C	–8	18								
Corfu	F	9	48	Madrid	S	11	52								
Dublin	C	0	32	Majorca	S	17	63								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday February 14 1985

Rigorous restructuring lifts Atlas-Copco 144%

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

ATLAS-COPCO, the Swedish compressors, mining and construction equipment manufacturer, has climbed out of a deep two-year recession and boosted its profits by 144 per cent last year.

The group's profitability was helped by an 8 per cent increase in sales volume. Turnover jumped by 12 per cent to SKr 9.1bn ($982m) compared with SKr 8.09bn in 1983.

Its 1984 results announced yesterday also reflect the benefits of a rigorous restructuring programme which has included the closure of 11 plants and a reduction of the workforce by around 20 per cent in the last three years.

Atlas-Copco profits after financial items jumped to SKr 573m last year compared with SKr 235m in 1983. The return on capital employed rose to 16.7 per cent from 12.3 per cent in 1983.

At the beginning of the 1980s Atlas-Copco was one of Sweden's most profitable engineering companies, but along with its main international competitors such as Ingersoll Rand and Dresser, Atlas-Copco was hit hard by the deep recession in 1982 and 1983. The volume of its sales slumped by 18 per cent over two years.

Its profit declined from SKr 570m in 1981 to SKr 235m in 1983 and it was forced to halve its dividend from SKr 6 to SKr 3 a share.

Helped by last year's recovery, the dividend is to be increased for 1984 to SKr 4.50 a share.

Some 92 per cent of Atlas-Copco sales came from markets outside Sweden last year, and some two thirds of its production is located outside the country.

New orders booked last year rose by 16 per cent to SKr 9.58bn from SKr 8.27bn in 1983, and the company is forecasting a further increase in profits during 1985. The main increase in new orders came from the U.S. and South-east Asia.

The group expects to benefit in 1985 from a continuing high level of capital investment in industry. "Machinery investments which are important for the group are normally made late in the business cycle. The mining industry is also expected to continue investing," said the company.

The lion's share of the group's profits came from its Air Power division, which has its largest plant in Antwerp, Belgium. Air Power contributed SKr 390m, up from SKr 190m in 1983, or 68 per cent of group profits from 47 per cent of group sales.

The MCT (mining and construction technique) division moved out of loss and achieved a small profit of SKr 35m compared with a deficit a year earlier of SKr 37m, but sales were virtually unchanged at SKr 3.2bn.

Profitability in this sector has been depressed by continuing substantial losses at the Jarva tunnel boring equipment subsidiary in the U.S. The operation is to be closed and reallocated to a sub-contractor in Norway.

Icahn bid for Phillips blocked by court

By Our Financial Staff

AN OKLAHOMA state judge has granted a temporary restraining order blocking the partial tender offer for Phillips Petroleum by Mr Carl Icahn, the Wall Street financier.

The order is the second to be issued by an Oklahoma state court barring the tender offer for 70m Phillips shares at $60 each.

If successful the offer, which was raised from $57 a share on Tuesday, would give Mr Icahn nearly half of Phillips' 154.6m shares. He would then attempt to complete the takeover by swapping $50 nominal of a new debt security for each remaining share.

The latest order stems from a suit by five Phillips shareholders. It charges Mr Icahn with manipulating the market with "false and misleading statements."

A hearing on the plaintiffs' request for a preliminary injunction barring the tender offer is set for Wednesday.

The second restraining order was granted earlier on Tuesday by a state judge in Pryor, Oklahoma. A hearing was also scheduled for yesterday, in that court.

The order was granted to three Phillips jobbers, Downing Oil and Propane, Benton Oil of Texas and Brock Oil of Delaware.

Allis-Chalmers warns of heavy write-offs

BY TERRY DODSWORTH IN NEW YORK

ALLIS-CHALMERS, the U.S. farm and process equipment manufacturer, warned yesterday that it may have to take substantial write-offs if it concludes negotiations on the proposed sale of some of its assets.

The Milwaukee-based group, which has been seriously hit by the financial crisis in U.S. farming, said that charges associated with a divestiture would cause a "very substantial additional decrease in net worth." The write-offs might be incorporated into its 1984 accounts.

Allis's statement accompanied its results for the fourth quarter, when the company showed a $13.2m provision for the cost of closures and reorganisations. This charge, the company said, reflected the problems in the agricultural machinery division, which is the subject of negotiations with several other manufacturers.

In 1984, Allis showed a net loss of $103m, or $8.03 a share, against a deficit in the previous year of $142.2m, or $11.84 a share. Sales reached $1.33bn against $1.3bn.

In the fourth quarter, Allis had a net loss of $60m or $4.37 a share, compared with a loss of $29.7m or $2.45 a share, while sales slipped to $329.5m from $347.8m.

Mr Wendell Bueche, group president, said that while competitive price discounting in the agricultural equipment business remained severe, sales in the group's larger process equipment division were "essentially flat." However, the company had experienced a 13 per cent increase in incoming orders for process machinery associated with air quality control, fluids handling and processing of solid materials and minerals.

Mr Bueche added that talks were continuing with the company's lenders on a relaxation of certain lender covenants. These state that net worth should not be allowed to fall below $250m. A refinancing plan would be presented to lenders before the expiration date of the agreement, Mr Bueche said.

InterNorth net income boosted by Belco

By William Hall in New York

INTERNORTH, the U.S. pipeline and energy group, increased its net income from continuing operations by 16.2 per cent to $296.8m in 1984, primarily because it had the benefit of a full year's earnings of Belco Petroleum, which it acquired for $768m in mid-1983.

In the final quarter of 1984, however, InterNorth's income from continuing operations fell from $91.2m or $1.79 a share to $77.3m or $1.49, partly because of warmer weather which hit the earnings of its gas businesses.

Annual revenues jumped by 57 per cent to $7.5bn in 1984. A large part of the increase resulted from extensive crude oil gathering and trading activities. In the fourth quarter, revenues more than doubled from $1.45bn to $3.05bn.

Mr Sam Segnar, chief executive, said the improvement in the company's performance in 1984 also reflected the strength of its Northern Petrochemical business. He noted that the improvement occurred despite a 13 cents a share charge against earnings in connection with the termination of the $3.5bn ETSI coal-slurry pipeline project.

InterNorth had a 29.5 per cent stake in the project, which was to have carried 20m to 25m tons a year of coal in slurry from Wyoming

Hiram Walker lifts profit in fourth quarter

By Bernard Simon in Toronto

HIRAM WALKER Resources, the Canadian distilling and energy group, lifted net income to C$108m ($81.2m) or C$1.19 a share in the three months to December 31 1984, from C$79m or 85 cents a share a year earlier.

The company ascribed the sharp increase to improvements in each of its main operating divisions.

A favourable product mix, selling price increases and the higher U.S. dollar contributed to increased profits from distilled spirits. Sales of spirits rose from C$343m to C$390m.

Oil and gas income was boosted by higher output and prices. Production of crude oil and liquids advanced by 8.2 per cent to an average of 34,500 barrels a day in the first quarter of the current fiscal year. Although the volume of gas sold declined, operating income rose as a result of non-recurring costs charged in the first quarter

Strong dollar forces up IBM UK prices

BY JASON CRISP IN LONDON

BRITAIN'S largest computer supplier, IBM (UK), has put up the price of a number of its products by 6 to 9 per cent, largely due to the strength of the U.S. dollar.

Earlier this week its U.S. parent company, IBM, warned that it would be very difficult to show any earnings growth in the first quarter of 1985 because of the strength of the dollar and the cost of introducing new products.

The price rises in Britain follow similar increases in Italy in December and France earlier this month. The British increases came into effect last Tuesday.

Last year turnover at IBM (UK) rose 40 per cent to £2.35bn ($2.58bn) with pre-tax profits up by 27 per cent to £325m, according to provisional results. The company said the fall of sterling against other European currencies had reduced margins at IBM (UK).

The main price increases are for the top range of the IBM personal computer and the System 34 and 38 small computers. IBM pointed out that it was the first time it had made a general price increase since September 1982. The increases apply only to the purchase price of hardware and not to software, rental or service.

Mr Tony Cleaver, general manager, said: "These changes average less than 4 per cent across the IBM product range as a whole, a fraction of the increase in national indices over the same period. With the steady flow of IBM product announcements, the trend in price/performance ratios has been strongly favourable to our customers, and we expect that to continue."

The recently launched IBM PC-AT, which is the most powerful version of the highly successful personal computer, has been increased by 9 per cent to around £4,100.

Pre-tax charge affects Bally

By Our Financial Staff

BALLY Manufacturing, the Chicago-based amusement and leisure group, suffered a $114.6m fourth-quarter net loss because of a $169m pre-tax charge to reduce its investment in coin-operated video games.

The charge is higher than the $150m estimated in December, reflecting "refinements in accounting and loss estimates." The fourth quarter loss, equivalent to $4.40 a share, compares with a $12.2m or 46 cents deficit in the 1983 period.

For the year Bally reported a net loss of $100.4m or $3.86 a share compared with profits of $5.2m or 20 cents. Revenues rose from $1.18bn to $1.35bn in the year.

Heinz £60m investment plan calls for cut in UK workforce

BY CARLA RAPOPORT IN LONDON

HEINZ, the U.S. food group, is planning to invest £60m ($66m) in its production facilities and reduce its UK workforce by 25 per cent over the next five years.

The moves, which will mean the loss of 1,220 jobs, are intended to boost the company's competitiveness against the growing own-label business in the UK.

The job cuts will all fall in Wigan, Lancashire, where Heinz is the largest private employer. About 45 per cent of Heinz's Wigan workforce will be shed under the five-year scheme, on a voluntary basis. The capital investment programme will update the group's packaging, labelling and filling facilities as well as allow for more flexible working hours.

Heinz has long been brand leader in the baked beans, soups and tinned pasta markets in the UK. In recent years, however, it has suffered from slippage in market share or overall market size in these sectors.

At the same time, the own-label business in supermarkets has been prospering. In the last 10 years, own-label brands' share of packaged grocery goods has grown from 20 per cent to 28 per cent. In the £175m-a-year baked beans market, supermarket brands are believed to hold about a third of the total, which is not far short of Heinz's own market share.

"We have recognised that we have to be more competitive in the marketplace," said a Heinz executive yesterday. "We are in the business of promoting our own brand. In this regard, our main competitor is not other labels, but the own-label products."

The company's Kitt Green, Wigan, facility was build in 1959. The group has another facility in Harlesden, North London, which will be unaffected by the job cuts.

Republic shows loss in quarter

By Our Financial Staff

REPUBLIC Airlines, the domestic U.S. carrier, followed the trend in the industry and slid back into loss in the fourth quarter of 1984. After staging a recovery in the preceding two quarters, there was net loss for the final three months of $10m, or 30 cents a share, against a profit of $4m, or 10 cents, a year earlier.

This left the company, which has one of the most extensive route networks, showing a profit for the full year of $29.5m, or 76 cents, compared with a $111m, or $5.28, loss for 1983. Turnover for the year reached $1.55bn, up from $1.51bn, but was down in the final quarter at $357.6m, against $386.4m.

Ward White bids £91m for Foster

BY MARTIN DICKSON IN LONDON

WARD WHITE, the fast-growing UK shoe retailer, yesterday launched a £91m ($100m) takeover bid for Foster Brothers Clothing, a mens wear chain.

The bid – immediately described by Foster Brothers as "unsolicited and opportunistic" – comes just two months after Ward White's agreed acquisition of Halfords, the motor accessories retailer, from Burmah Oil for £52m.

Foster Brothers, whose shops include the Millets camping and leisurewear chain, and Dormie, the evening dress hire company, has about 650 retail outlets in Britain. During the past two years it has been carrying out a major refurbishing of its stores.

Ward White, which has transformed itself over the past five years from a shoe manufacturing company into a diversified retail chain through a series of acquisitions, has some 900 retail outlets in the UK, U.S. and Scandinavia.

Lex, Page 24; UK shoe industry, Page 30

INTERNATIONAL COMPANIES and FINANCE

Major capital boost for top Danish bank

BY OUR FINANCIAL STAFF

COPENHAGEN Handelsbank, one of the biggest banks in Denmark, yesterday unveiled a substantial capital raising programme involving a rights issue, a placing of new shares and a big increase in subordinated loan capital.

The share placing, which is earmarked for international stock markets as well as the Copenhagen bourse, will involve DKr 245m of nominal capital, which yesterday had a stock market value of around DKr 720m.

The rights issue will raise around DKr 290m for the bank. The shares are being offered on a one-for-four basis at DKr 105 each. The shares changed hands yesterday at DKr 294.

Finally, Copenhagen Handelsbank proposes to step up its subordinated capital to DKr 2.5bn, an increase of DKr 800m.

Profits before depreciation and provisions last year rose to DKr 820m from DKr 446 – but as a result of a rapid decline in portfolio credits the bank's net profits emerge at DKr 439m, against DKr 1.3bn.

The net profit figures for 1984 include DKr 290m in extraordinary income which resulted from the disposal of shares in London and Zurich banks.

The dividend is being held at 15 per cent. The year-end balance sheet stood at DKr 97.7bn, against DKr 85.1bn at the end of 1983.

Handelsbank was expected to decide shortly to pull out of Nordic American Banking Corporation in New York, where it plans to open its own bank, Mr Bendt Hansen, the chief general banker, said yesterday.

Polaroid hit by strength of dollar

By Terry Dodsworth in New York

POLAROID, the U.S. photographic group, suffered a sharp fall in earnings last year to 25.7m or 83 cents per share against $1.61 a share in 1983.

The company blamed the decline on several factors, including higher expenses associated with new products, the "dramatic" strength of the U.S. dollar, and difficulties in its magnetic business, which was hit by competitive pricing pressures.

In the fourth quarter, earnings plunged to $10.3m or 33 cents a share from $25.3m or 82 cents a share. Sales for the final three months amounted to $377m compared with $392m, but they rose marginally in the year to $1.27bn

In the U.S. unit sales of amateur instant cameras rose significantly in the fourth quarter, but European sales throughout the year were affected by the strength of the U.S. currency.

Goodyear profits up on better demand

BY TERRY DODSWORTH IN NEW YORK

GOODYEAR, the world's largest tyre manufacturer, benefited from a broad-based upturn in demand in most of its main product areas last year, increasing its net profits to $411m or $3.87 a share from $305.5m or $3.06.

In the fourth quarter, earnings slipped to $105m or 99 cents a share, from $142m or $1.41. This decline, however, was entirely due to non-recurring items in the 1983 quarter, when the company took a gain of $35m for the early retirement of debt, and a further $14.5m from the liquidation of certain inventories.

Sales last year amounted to $10.2bn against $9.7bn, but slipped in the fourth quarter from $2.59bn to $2.56bn.

Mr Robert Mercer, chairman, said that the company had increased sales in its tyre, industrial rubber, chemical and plastics products divisions. In addition, the Celeron group of energy-related companies also improved earnings and increased company-owned oil and gas reserves.

VW Brazil in profit

VW DO BRAZIL, a subsidiary of the West German motor group, returned to profit in 1984 after suffering substantial losses in the four preceding years.

VW do Brazil had a profit equal to DM 45m ($13.6m) after a comparable 1983 loss of DM 102m in 1983. Sales were DM 3.7bn, unchanged from 1983.

Volkswagen Caminhoes, the commercial vehicle-making unit that was incorporated into VW do Brazil last year, produced a small loss in 1984.

As an independent unit, Volkswagen Caminhoes suffered a loss equivalent of DM 63m in 1983, when VW do Brazil's loss amounted to DM 19m. — AP-DJ

PLM lifts net profits by 37%

By Our Nordic Correspondent

PLM, the Swedish packaging group, increased profits by 37 per cent last year to SKr 210.3m ($22.5m) from SKr 153.6m in 1983, despite a rise of only 3 per cent in group turnover.

Sales totalled SKr 3.37bn, compared with SKr 3.26bn in 1983, some 59 per cent of turnover coming from markets outside Sweden.

Having restructured several parts of the group, PLM has enjoyed a gradual improvement in profitability, with the return on capital employed rising from 9.2 per cent in 1981 to 16.9 per cent in 1984.

PLM has obtained dispensation from a government-imposed dividend freeze and is to increase its dividend to SKr 5.40 per share from SKr 5 in 1983, the maximum permitted.

PLM has started production from its new can factory in West Berlin — jointly owned with Ball of the U.S. — and output is expected to reach 600m cans during 1985, with a seven-day-a-week operation.

It has also taken a 25 per cent stake in a $15m pilot plant to be built in the U.S. with Metal Box of the UK and Sewell Plastics, a subsidiary of Dorsey Corporation, for the manufacture of a new type of plastic beverage container.

Production is expected to begin during the second half of 1985. Introductory market research is being undertaken by Coca-Cola in the U.S.

Japanese deal for Hoffmann

By Our Zurich Correspondent

HOFFMANN-La Roche, the Swiss chemicals group, has set up a joint venture subsidiary together with the Japanese concern Nippon Formula Feed.

The new company, to be known as Nutritec, is to operate a plant for the production of vitamin pre-mix additives for cattle feed at the Fukuroi facility of the Swiss group's Japanese subsidiary, Nippon Roche.

The plant is intended to come on stream in December with a capacity of 500 tonnes a month.

$19m IBH claim on GM

MAINZ — The receiver of IBH Holding, the bankrupt West German construction equipment group, has filed a claim for DM 62.8m ($19m) against a former shareholder, General Motors.

He said the claim was to recover the amount of four capital increases made by GM between 1980 and 1982. Although GM, which had a 19.6 per cent stake in IBH, paid the capital increases in cash, the funds were later channelled back to the U.S. company by prior agreement. Reuter

Dutch insurer proposes rights and share split

BY LAURA RAUN IN AMSTERDAM

NATIONALE-NEDERLANDEN, the largest insurance company in the Netherlands, plans a rights issue and share split in a move to raise capital for debt repayment and possible acquisitions.

The issue price for the one-for-10 rights will be announced on February 21 while the four-for-one share split is planned for March 8.

The move will raise around Fl 20m in new nominal capital. With Nationale-Nederlanden shares changing hands yesterday at Fl 273, this amount of nominal capital had a market value of some Fl 545m ($140m).

The insurer has been looking to acquire a non-life insurance company in the U.S. for some time. Nationale-Nederlanden also would like to pay off some debt with which recent acquisitions, notably Amfas, were financed.

Amfas was the third largest insurance company in the Netherlands before its takeover and had posted notable losses in recent years. Nationale-Nederlanden paid about Fl 341m for Amfas.

Nationale-Nederlanden has said it expected its 1984 earnings to exceed the Fl 475m profit posted in 1983. Revenues are expected to climb 25 per cent to above Fl 16bn.

MTU turnover slows

BY RUPERT CORNWELL IN BONN

MTU, the German aero-engine manufacturer, expects only a marginal rise in sales this year to DM 2.2bn ($668m) from DM 2.15bn—mainly because of a further contraction in its military business.

MTU, which is a jointly-owned subsidiary of Daimler Benz and of MAN of the GHH group, reckons that in 1985 only 35 per cent of its turnover will be accounted for by the military sector, against 38 per cent last year.

Herr Hans Dinger, deputy chairman who is acting chief executive after the terrorist murder last month of the former MTU chief, Herr Ernst Zimmermann, said civilian business would be the main support for the concern—at least until the development in the 1990s of the planned "J-90" European fighter aircraft, in which MTU is likely to have a major involvement.

But new orders in connection with the European Airbus programme helped lift MTU's order book by 11 per cent to DM 3.8bn at the end of 1984. Orders placed last year alone totalled DM 2.5bn, Herr Dinger said.

INTL. COMPANIES & FINANCE

HK Land abandons plans to sell Excelsior Hotel

BY DAVID DODWELL IN HONG KONG

HONGKONG LAND, the deeply indebted property company, has dropped its plans to sell the Excelsior Hotel in Hong Kong after the highest bid "did not meet our disposal criteria." Hongkong Land is understood to have put a minimum price tag on the hotel of HK$800m (US$102m).

Since announcing early in October that it planned to sell the hotel, Hongkong Land has disposed of its controlling stake in the utility company Hong Kong Electric for HK$2.9bn. This reduced group debt to less than HK$12bn, and cut HK$300m from its annual debt servicing bill.

At the time of the deal, Mr Simon Keswick, Hongkong Land's chairman, said: "The company is no longer under siege." He suggested the group would no longer be a forced seller of the Excelsior. This was reiterated yesterday, when the group said its "disposal criteria" had been "sharpened" since the Hong Kong Electric sale.

The 13-year-old hotel, Hongkong Land's second largest in the territory, has 951 rooms. It is owned through the group's subsidiary, Mandarin Oriental Hotels, whose flagship hotel, the Mandarin in Hong Kong, is among the most prestigious in the world. The Excelsior has implicitly been for sale since the group outlined last year a policy to expand on the basis of one hotel in every major city location.

Mr David Davies, Hongkong Land's managing director, said yesterday: "We put the Excelsior on the market because it is not a high priority in terms of our strategic or corporate plan. We are nevertheless happy to keep (it), as tourism in Hong Kong is booming, and this particular hotel is highly profitable."

He said the Excelsior is expected to generate an operating cash flow after tax of HK$75m in 1985, compared with HK$65m last year. It averaged an occupancy rate of 90 per cent in 1984, and forecasts a similar heavy demand this year.

While all discussions with potential buyers have been discontinued, the "For Sale" notice is likely to stay up. It will continue to be operated by the Mandarin Oriental group, but as an associate.

Mr Davies insisted yesterday that he was not disappointed that the group had failed to find a suitable buyer: "I have absolutely no regrest over spending time and some money putting the hotel on the market. It has been a successful management exercise, and we know more about the hotel now than we ever have."

Increased interest hits earnings at Sappi

By Jim Jones in Johannesburg

SAPPI, one of South Africa's largest manufacturers of paper, increased turnover to R658m ($355m) in 1984 from R554m in the preceding year with the help of a marked improvement in domestic selling prices in the second half.

Mr Eugene van As, the managing director, says that prices were static during the first half, and this contributed to a fall in an interim profits. Second-half price increases reversed the trend, however, and full-year operating profits before interest and tax rose to R98.2m from R84.5m.

Mr van As says that production of a new newsprint machine was interrupted by continuing construction at the Ngodwana mill in the Eastern Transvaal.

A new pulp mill which produces bleached and unbleached Kraft pulp and is the second phase of the Ngodwana mill's expansion, is currently undergoing high-volume trials. The third phase of the expansion, the Kraft linerboard machine, is scheduled to start production towards the end of March 1985.

The company's interest bill increased substantially in 1984 to R55.6m from R15.5m. The rise is attributed in part to higher interest rates and higher debt with completion of sections of the Ngodwana expansion. In addition, interest on those new sections of the Ngodwana mill which have been brought on stream are no longer being capitalised.

Earnings per share slipped to 197 cents from 222 cents, but the dividend total has been maintained at 86 cents a share with an unchanged final payment of 61 cents. Mr van As says he is pessimistic about prospects for 1985 and says that there is little hope of a material improvement in Sappi's results unless the South African economy improves.

KLSE puts off time bargaining

BY WONG SULONG IN KUALA LUMPUR

THE KUALA Lumpur Stock Exchange has decided to postpone for the second time, and now indefinitely, the introduction of time bargaining or settlement trading to allow a closer examination of the implications.

Brokers say its introduction would apparently have contradicted Section 41 of the Securities Industry Act 1983 which deals with short selling.

At the annual meeting last December KLSE members gave their approval to the introduction of settlement trading, then seen as a much needed boost to the lethargic trading on the floor. It was schduled to start on January 15, but was postponed for one month.

Under the proposal, traders would have been allowed to buy or sell anytime after the 15th of each month and settle their contracts on the 14th of the following month.

However, those selling shares would have been obliged to have possession of the shares before they could dispose of them, implying that short selling would be prohibited. Further, traders would not have been allowed to contra, or offset, their deals in between settlement days.

Brokers say these two rulings would have kept speculation to the minimum, reducing the purpose of settlement trading.

They say that unless the problems of short selling and restrictions on settlement trading are resolved, Malaysian traders might prefer to do their settlement trading deals in Singapore, which does not have such restrictions.

● QAF, a food-related company with links to Brunei's royal family, has announced two related agreements to gain control of Eurofood (Singapore), an investment holding company with a majority interest in a local coldstore facility, AP-DJ reports from Singapore.

The company has agreed to buy 2.9m shares, or 59.5 per cent of Eurofood from Nordic Cold Storage, an Irish company, for S$2.8m (US$1.24m).

Eurofood's other two shareholders, Almedahls and Mr Stig Ake Ingvar Persson, have given QAF an option to buy the ramaining Eurofood shares at the same 95 cents a share price, plus an annually compounded interest rate of 8 per cent. The option is valid for 35 months after QAF buys Nordic's stake.

Shanghai may have stock market within two years

SHANGHAI — A stock market may be established in Shanghai within two years, according to Sheng Baizhang, vice-president of the Shanghai Investment and Trust Corporation.

The proposal is being considered by the central government and Shanghai authorities. But many details, including staff training and the establishment of a legal framework, have still to be worked out.

Ming Zhicheng, deputy director of the Shanghai Municipal Economic Commission, also said the proposal was under study, but declined to say when an exchange could be set up.

Foreign bankers attending a conference here on China's oil industry said the Bank of China is considering stock markets in the special economic zones of Shenzhen aad Zhuhai.

An intial offering last month of 100,000, 50-yuan shares in Shanghai's Yanzhong Industrial, which sells photocopying and printing services, sold out on the first day.

Several Chinese companies have issue shares. Investors get annual dividends, but cannot trade shares on an exchange.
Reuter

Saudi creditors of Deak Perera could lose $6m

DANNAM, SAUDI ARABIA—Hundreds of expatriate workers in Saudi Arabia—mostly U.S. citizens—face losses of millions of dollars deposited with a non-bank foreign currency and precious metals trader before it filed bankruptcy papers in the U.S. late last year.

Saudi-based creditors of Deak-Perera International Banking of Stamford, Connecticut, said that some 1,000 current and repatriated foreign workers stand to lose as much as $6m in checking accounts and certificates of deposit.

The U.S.-registered company, also known as Depebanco, filed for protection from creditors under Chapter 11 of the U.S. bankruptcy code on December 6, along with Deak and Co., its parent company, and Deak-Perera Wall Street.

Depebanco's representative in Saudi Arabia was Al-Hoty Investments, a Saudi-owned subsidiary of the Al-Hoty establishment
AP-DJ.

Turkish-Egyptian bank venture

BY TONY WALKER IN CAIRO

ARAB INVESTMENT BANK of Egypt and Is Bank, one of Turkey's largest commercial banks, have agreed to establish a joint venture bank with U.S.$20m of capital.

Dr Fouad Hashem, chairman of the Arab Investment Bank, said yesterday that the new Turkish-Egyptian bank would engage in trade financing and promote joint ventures between the two countries. Two-way trade between Egypt and Turkey was about $130m last year.

The Egyptian side will have a 60 per cent share in the new venture. Dr Hashem said his bank was also considering joint venture arrangements with a bank in Jordan and the Gulf.

N. AMERICAN QUARTERLY RESULTS

ANCHOR HOCKING
Glassware, containers

Fourth quarter	1984 $	1983 $
Revenue	191.6m	164.3m
Net profits	26.4m†	7.4m
Net per share	2.55†	0.74
Year		
Revenue	712.9m	678m
Net profits	18.6m†	4.3m†
Net per share	1.80†	0.45†

† Loss

BELL & HOWELL
Business eqpt.

Fourth quarter	1984 $	1983 $
Revenue	188.8m	184.2m
Op. net profits	7.7m	6.9m
Op. net per share	0.73	0.60
Year		
Revenue	713.5m	673.2m
Op. net profits	29.6m	24.8m
Op. net per share	2.63	2.16

CANADA TRUSTCO MORTGAGE
Trust

Fourth quarter	1984 C$	1983 C$
Net profits	20.9m	19.2m
Net per share	0.91	0.81
Year		
Assets	11.75bn	10.18bn
Net profits	74.3m	64m
Net per share	3.11	2.70

CHAMPION SPARK PLUG
Spark plugs, spray eqpt

Fourth quarter	1984 $	1983 $
Revenue	210.4m	210.5m
Net profits	7.9m	12m
Net per share	0.21	0.31
Year		
Revenue	818.4m	763.3m
Net profits	27.3m	26.9m
Net per share	0.71	0.70

COMPUTERVISION
CAD/CAM systems

Fourth quarter	1984 $	1983 $
Revenue	183.9m	111.6m
Net profits	14.9m	10.4m
Net per share	0.52	0.37
Year		
Revenue	558.3m	400m
Net profits	41.4m	35.3m
Net per share	1.44	1.24

ELI LILLY
Drugs, chemicals & cosmetics

Fourth quarter	1984 $	1983 $
Revenue	777.9m	753.1m
Net profits	117.8m	115.4m
Net per share	1.64	1.57
Year		
Revenue	3.11bn	3.03bn
Net profits	490.2m	457.4m
Net per share	6.73	6.13

ENGELHARD
Precious metals refiner

Fourth quarter	1984 $	1983 $
Revenue	642.3m	473.8m
Net profits	17.7m	20.3m
Net per share	0.66	0.75
Year		
Revenue	2.5bn	2.1bn
Net profits	46.3m	73.5m
Net per share	1.72	2.73

W. W. GRAINGER
Electric motors distributor

Fourth quarter	1984 $	1983 $
Revenue	263.1m	232m
Net profits	18.5m	16.5m
Net per share	1.28	1.07
Year		
Revenue	1.06bn	880.1m
Net profits	68.9m	51.7m
Net per share	4.76	3.08

HOLIDAY INNS
Hotels

Fourth quarter	1984 $	1983 $
Revenue	428.5m	393m
Net profits	20.5m	15.4m
Net per share	0.59	0.42
Year		
Revenue	1.76bn	1.59bn
Net profits	131m	124.4m
Net per share	3.59	3.26

HOUSEHOLD INTERNATIONAL
Merchandising, finance and manufacturing

Fourth quarter	1984 $	1983 $
Revenue	2.4bn	2.26bn
Net profits	62.7m	57.9m
Net per share	1.12	1.04
Year		
Revenue	8.32bn	7.91bn
Net profits	234.1m	209.4m
Net per share	4.18	3.68

HUSKY OIL
Oil and gas refining

Fourth quarter	1984 C$	1983 C$
Revenue	—	—
Net profits	33.1m	19.1m
Net per share	0.38	0.20
Year		
Revenue	1.55bn	1.62bn
Net profits	99m*	47.5m
Net per share	1.10*	0.45

* Excludes gain from sale of U.S. unit

McDERMOTT INTL.
Marine construction, power eqpt.

Third quarter	1984-85 $	1983-84 $
Revenue	823.9m	747.5m
Net profits	48.5m	24.5m
Net per share	1.18	0.62
Nine months		
Revenue	2.34bn	2.37bn
Net profits	73.6m	131.1m
Net per share	1.86	3.30

MARRIOTT
Hotels and food services

Fourth quarter	1984 $	1983 $
Revenue	1.12bn	941.8m
Op. net profits	42.7m	31.8m
Op. net per share	1.60	1.14
Year		
Revenue	3.52bn	2.95bn
Op. net profits	135.3m	108.4m
Op. net per share	5.01	3.90

NALCO CHEMICAL
Service chemicals

Fourth quarter	1984 $	1983 $
Revenue	166.5m	157.1m*
Net profits	17.5m	17.5m
Net per share	0.45	0.44
Year		
Revenue	664.3m	613.7m*
Net profits	76.2m	71m
Net per share	1.94	1.78

* Restated

NEW YORK TIMES
Diversified media business

Fourth quarter	1984 $	1983 $
Revenue	336.6m	298.1m
Net profits	27.6m	20.9m
Net per share	0.70	0.54
Year		
Revenue	1.23bn	1.09bn
Net profits	100.2m	78.7m
Net per share	2.53	2.02

SAFEWAY
Largest U.S. supermarket chain

Fourth quarter	1984 $	1983 $
Revenue	6.13bn	5.78bn
Net profits	76.7m	78.2m
Net per share	1.29	1.30
Year		
Revenue	19.64bn	18.59bn
Net profits	185m	183m
Net per share	3.12	3.26

SOUTHERN
Electric utility

Fourth quarter	1984 $	1983 $
Revenue	1.48bn	1.33bn
Net profits	155.2m	162m
Net per share	0.62	0.71
Year		
Revenue	6.12bn	5.42bn
Net profits	719.7m	590.3m
Net per share	3.00	2.79

TRAVELERS
Insurance

Fourth quarter	1984 $	1983 $
Revenue	3.3bn	2.9bn
Op. net profits	120.7m	107.7m
Op. net per share	1.43	1.28
Year		
Revenue	13.5bn	12bn
Op. net profits	346.1m	342.6m
Op. net per share	4.11	4.08

Family exodus leaves future of Knorr Bremse in balance

BY PETER BRUCE IN BONN

MECHANICAL ENGINEERING is a near religion in West Germany. It is more than just engineering, or widget making. Clinch a DM 50m reinsurance deal in New York and you will be lucky to get a mention in dispatches. But sell DM 50m worth of piston rings or injection moulding machines in the office next door and you are a hero.

If mechanical engineering was the driving force behind the German economic miracle after the last world war, the real credit goes not only to the Thyssens, Krupps, and Klöckners but to literally hundreds of privately, or family owned plants that seem to have been producing high quality ball bearings, machine tools, diesels, and cranes for ever.

Knorr Bremse is typical. Founded in Berlin in 1905 by Georg Knorr, an engineer, and salesman friend, Johannes Vielmetter, to make brakes for locomotives, the group rapidly won both a reputation for innovation and a leading position in the market.

Herr Vielmetter had control of the company by the beginning of World War One. He drew up a will giving 48 per cent of Knorr Bremse to each of his grandchildren, Joachim Vielmetter and his elder sister, Liselott von Bandemer, with instructions that her shares be returned to Joachim's first son by the time he was 36.

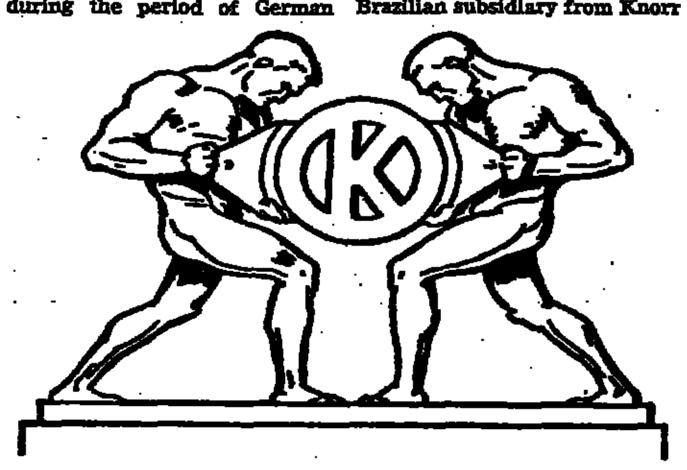
Nothing unusual about that. It was simply that the family business had to be protected. Knorr Bremse was still growing anyway, and had taken control of one of the first diesel engine plants in the country, Motorenwerke Mannheim (MWM), founded by Karl Benz in 1926.

Joachim never had a son. Liselott a good deal older than him, did. Jens von Bandemer, now 48 is, by all accounts, a quiet, even introverted man whose basic antipathy towards the commercial world has lain dormant through business school at Fontainebleau and nearly 20 years with Knorr Bremse.

Uncle Joachim may have spotted something, however, because after being released by the Allies after World War Two in 1947, by which time the group's headquarters had had to be moved to Munich, he apparently displayed little interest in sharing group management with his nephew, who had taken over his mother's 48 per cent stake.

By then Herr Vielmetter had formed powerful banking allies. Like most successful German family businesses, Knorr Bremse developed a cosy relationship with its *hausbank*, in this case, Deutsche Bank. Senior Deutsche Bank directors sat on the Knorr Bremse supervisory board.

Herr Vielmetter and Deutsche Bank clearly had few difficulties during the period of German economic recovery. Knorr Bremse, using MWM, expanded into diesel production in Brazil, Spain and the U.S. Today the group employs 10,000 people worldwide, on a turnover of some DM 1.2bn ($366m), more than half of which is accounted for by MWM.



But while the group's prowess in brake systems for, by now, both locomotive and commercial and industrial vehicles was almost unrivalled, MWM began to show fundamental signs of weakness. It made a loss in 1971 and although this was repaired through both product and cost rationalisation, it quickly slipped back into the red.

A major supplier of heavy ships diesels, its fortunes began to decline with the German shipbuilding industry. Along with losing main ship diesel business, it has also lost ground in standby engines. A third of MWM's turnover is also understood to come from sales to agricultural equipment producers, who have also been in trouble for the past three or four years.

The Deutsche Bank board members apparently tried to persuade Herr Vielmetter to find a partner for MWM. Perhaps MaK, a Krupp diesel subsidiary not represented in the engine ranges MWM produced? Herr Vielmetter did not like the deal offered. A potential partnership with a Dutch engineering group came to nothing. In the late seventies Volkswagen offered to buy engines for its (then) new Brazilian subsidiary from Knorr Bremse's, Brazilian works, and held out the possibility of eventually taking engines from the German works as well in return for guarantees of investment in production by Knorr Bremse. They were turned down.

Jens Von Bandemer, had, until the early eighties, been content to keep his counsel on the MWM board. But when Krupp came back into the picture again, this time with a much stricter proposal (to buy 51 per cent of MWM) and were turned down by his uncle, he began to rebel.

MWM is understood to have incurred losses of some DM 10m in 1979-80, and at least one senior manager resigned after MaK had been shown the door. In 1981, Dr Robert Ehret, a member of the Deutsche Bank Board, and now on the BASF supervisory board, did the same thing.

Sales continued to fall. The DM 1.37bn turnover of 1983 was nearly 10 per cent down on 1982, and this seems only to have increased the difficulties between nephew and uncle. Dr Wilfried Guth, speaker (effectively chief executive) of the Deutsche Bank also left.

"Knorr Bremse is a perfect example of the powerlessness of bankers on the supervisory boards of family businesses whose (family) members are at war," he is quoted as saying.

Quite suddenly, in December 1984, Herr Vielmetter decided to step down. Jens would buy his 48 per cent share of the business by the end of March in return for a titular leadership role for his uncle. Knorr was even beginning to talk of recovery by then, with turnover rising by 8 per cent for 1984 to around D M1.5bn, and further improvements expected.

Herr Von Bademer, however, was about to prove that families are fickle things. On January 14 he announced that what the banks had for so long wanted — separation of management and capital — was about to be handed to them on a plate. In short, he was leaving too.

It turns out that Herr Von Bandemer, who began to dabble with eastern religions five years ago began a liaison with an obscure Christian sect near Würzburg in 1982. He plans to float or sell Knorr Bremse and join the sect to the delight of its prophetess.

"One cannot live with both materialism and religion," he has since said, a new found creed that probably confirms all his uncle's worst fears." I want nothing to do with the arms industry."

Whether his promise to donate his personal wealth to the sect includes the proceeds from a sale of Knorr Bremse is not clear.

Selling the group should not be difficult however. MWM, excluding its foreign works, is being taken off his hands by Klöckner - Humboldt Deutz (KHD), leaving behind a core of brakes and component businesses that analysts believe are basically healthy.

That may not be the end of the story, however. Herr Vielmetter still has his 48 per cent stake in Knorr Bremse and six weeks in which to change his mind about giving it up.

UK COMPANY NEWS

Good result from gases lifts BOC profits by 47%

IN THE first quarter to end December 31 1984, the BOC Group has hit the top end of the £33m-£38m profit range expected by City analysts. Adjusting for a £5 6m profit on sale of investment, the profit before tax has advanced from £25.8m to £38m, equal to a rise of 47 per cent.

There was a strong performance worldwide from industrial gases, the problems of the U.S. medical equipment business have been redressed and by the end of 1984 the health care division had resumed its previous trend of profitablity.

But the carbon electrode business was unprofitable because of the continued strength of the dollar, and this has affected the total performance of the carbon and carbide business.

The directors' mood for the current year was one of optimism. Against a background of strong demand for products they were expecting earnings to show a further increase in the current year. They were persisting with the restructuring of those businesses that had performed below par. The financial position was strong, they said, and the group could continue to fund a large capital programme with only modest increases in debt.

In the first quarter of the current year turnover rose by £107m to £552.8m, net of related companies £80.4m (£73.8m), and trading profit moved ahead from £44m to £61.4m including related companies £3.7m (£4.2m). Depreciation charges were £52.4m (£41.2m) of which £11.5m (£11m) is attributable to replacement cost basis.

Mr Richard Giordano, chairman

A regional split of the profit shows Europe contributed £14.7m (£12.2m), Africa £5.6m (£6.4m), the Americas £27.8m (£12.9m), and Asia/Pacific £14m (£11.4m). Discontinued businesses accounted for £300,000 (£100,000). Interest charges were up from £18.2m to £23.4m.

Tax takes £144m (£3.5m) and minorities £37m (£3.5m), to leave the net attributable profit at £19.9m (£18.8m). Earnings are shown at 5.12p (484p) and fully diluted 4.7p (4.43p)

The tax charge includes £10.9m (£200,000) for overseas. Last year's provision was abnormally low because of a large contribution from the sale of U.S. tax benefits. Furthermore, the rate for the 1984 quarter is above that expected for the year as a whole. CCA profit before tax was £42.9m (£29.3m).

The 1983 quarter profit has been adjusted from that originally reported regarding the surplus on the sale of part of the investment in the Oxford Instruments Group. In the year-end accounts the surplus was retreated as an extraordinary item.

For the year ended September 30 1984 the group turned in a pre-tax profit of £138m and paid a total dividend of 7.7p.

At the end of December net assets employed totalled £2.39bn, compared with £2.25bn on September 30. Shareholders' funds stood at £1.25bn (£1.2bn) and net borrowings and finance leases at £864.5m (£798.6m). Working capital had risen to £421m (£358.7m) excluding bank balances and short term loans.

See Lex

New crisis threatens Espley

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

THE survival of Espley Trust, the property group formerly run by Mr Ronald Shuck, was thrown into doubt yesterday following a demand by trustees for the repayment of £7.3m-worth of loan stock. Shares in Espley were suspended, for the second time in a month, at 15p.

Mr Ronald Aitken, who took over as chairman of Espeley last September and implemented an urgent reconstruction programme designed to save the group, said last night: "This is crunch time."

The latest crisis follows a request by Law Debenture Corporation to have the loan stock given a secured position over the assets of the company and some of its subsidiaries. Espley's board said any such move would have given unfair preference to the loan stockholders over other substantial, unsecured creditors who had allowed the reconstruction programme to continue.

As a result, the board could not provide the required security, and Law Debenture Corporation now claims the loan stock, dated 1986, has become immediately repayable. Mr Aitken said: "The group is not in a position to meet such a current liability and, if repayment is pursued, the trustees are likely to end up with nothing.

"We will oppose the request with the support of other creditors, who, almost without exception, suport the board's view. In view of the uncertainty, it was thought best to ask for a suspension until the situation is resolved." Mr Aitken added.

Last night, no comment was available from Law Debenture Corporation.

In January, four Espley housebuilding subsidiaries revealed debts of £10.3m and Mr Aitken said the property development division, involving eight subsidiaries, was also to be liquidated. At the same time, it was disclosed that Consult International, Mr Shuck's private company, had debts of up to £15m.

A substantial assets disposal programme, aimed at reducing group debt, is well underway. Last month, Espley revealed it had received an acceptable offer for American Property Group, its U.S. development subsidiary, and yesterday it said it hoped the deal would go through this week, despite the latest problem.

The board is also at an advanced stage in finalising the disposal of Codic, its Belgian property subsidiary. Two of its principal properties have recently been sold for nearly £7m.

Espley Trust says it hopes to be in a position to proceed with the reconstruction plan following the anticipated disposal of the two subsiidaries, and that the loan stock holders will decide to participate. In the meantime, it adds, the company continues to enjoy the qualified support of its bankers.

Westland tells of more delays in India

By Gordon Cramb

Shareholders in Westland were told at the annual meeting yesterday that it had encountered further delays in finalising a £60m Indian contract for the sale of 21 of its Westland 30 helicopters, while it was continuing to press the British Government for clarity on its plans for future defence orders.

In addition, a delay had occurred in talks scheduled with Saudi Arabia aimed at compensating Westland for the cancellation of a 1978 contract. The company estimates it has lost £150m on the deal.

The AGM, Westland's 50th, also marked the retirement of Lord Aldington, its chairman. He said he had hoped to visit Saudi Arabia 10 days ago but that Sir Basil Blackwell, his successor, "hopes to be invited to go out there to continue negotiations in the course of the next two months."

In the UK, he said, Westland has been "fighting strenuously for more orders, and especially for the Westland 30 as the choice for the replacement of the RAF's Wessex and Puma helicopters." This did not amount to seeking a rescue or bail-out, however, as had been suggested.

In the interim, the company was able to announce yesterday a Royal Navy instruction to proceed in building nine more of the older Sea King helicopters, worth £30m.

Delivery of these will be in 1986 and 1987, and thus will not fill a three-year gap in production expected after next year. Present market conditions prompted a £14m exceptional charge in its accounts for the year to September 1984, as announced.

The Indian contract, with that country's Oil and Natural Gas Commission, had been expected to become effective early in 1985.

"We have proceeded with our production plans in accordance with the requirements given to us in India," he added. "The hold-up in negotiations, we believe, is due to events unrelated to us."

Anthony Moreton examines the UK shoe industry

Manufacturers feeling the pinch

Ward White's £93.7m bid for Foster Brothers Clothing is a perfect example of the way in which shoe manufacturers are having to come to terms with falling markets and find alternative outlets for their talents.

Ward White was once a leading Northampton-based manufacturer with a chain of High Street shoe shops. But the 80 plants it had in 1972 have been cut to five as it has concentrated on the production of safety shoes, footwear for the services and some lesser-known brand names such as Rogues and Portland.

Its shops, concentrated heavily around London, Manchester and in South Wales, have sold increasing numbers of shoes made in Italy and Brazil rather than in traditional British centres such as Northampton and Norwich.

Five years ago, faced with a grim manufacturing outlook, it decided on a radical change of strategy, designed to turn it primarily into a retailing company—first of shoes and more recently of other goods, such as motor accessories.

The bid for Fosters continues with that philosophy. Fosters is a clothes chain, heavily oriented towards men's wear. Apart from some 500 shops under the Foster name, which until recently have had a very old-fashioned look about them, the group includes Millets camping and leisure wear, Adams children's wear, Dormie hire clothes and nearly 300 stores in the U.S.

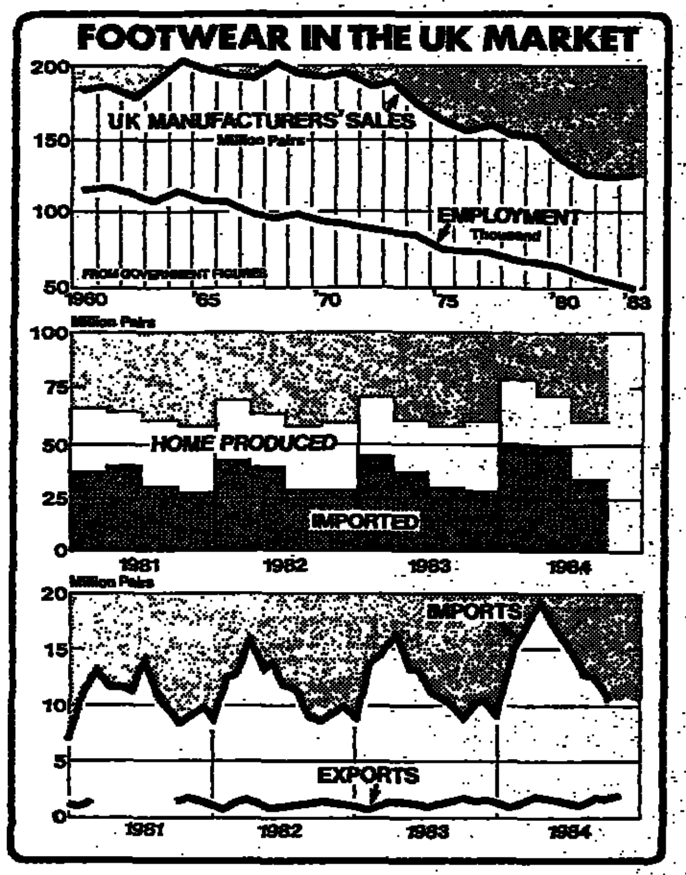
The need for shoe manufacturers generally to look for alternative businesses has been intensified by fears that the Chancellor might hit the industry in his Budget on March 19, by putting VAT on children's shoes, and over likely trading this spring. Although the industr yhas had two reasonably good years, with production rising for the first time in 1983 for six years, the outlook is not happy.

"One of the problems," according to Mr Michael Feilden, director of the British Footwear Manufacturers' Federation, "is that all the retailers overstocked in the second half of last year and they have reacted by stopping buying from home suppliers in particular."

Another problem, especially for the manufacturer, is margins. "Production volume last year was very satisfactory," Mr Geoffrey Marshall, group managing director of Bally (UK) says, "largely because of a buoyant home market."

"But margins were very difficult indeed and there are a huge number of question marks over this year. Interest rates are one and exchange rates are another."

Both the overstocking and the fears of the Budget have a common theme—VAT. Last year's Budget change in VAT regulations gave importers seven months grace before they had to pay VAT at the time of arrival rather than within three months. A flood of shoes came in—imports were up 17 per cent over the year—to beat the deadline.



Now the industry is concerned that VAT could be imposed on children's shoes in this year's Budget. If it is retailers will almost certainly trade down by seeking cheaper shoes. The obvious sources for these are low-cost suppliers in southern Europe or the Far East.

The problem of imports is one that exercises the industry severely. A record 60 per cent of the shoes sold in Britain last year came from abroad, but not all from cheap sources.

hCeap shoes have even percolated through to Marks and Spencer, traditional ally of the British manufacturer. Now an important retailer with just under 5 per cent of the £2bn-a-year retail market it is selling pink jelly shoes, so-called because they are made from clear, coloured pvc from Brazil at £4.99 a pair.

There is an additional fear that cheap imports wil grow even more strongly this year if the U.S. takes discriminatory action against Brazil. The U.S. International Trade Commission is investigating whether to levy quotas on the Brazilians. If it does, the Latin Americans will almost certainly divert their shoes to Europe.

However, Mr Marshall believes that a more worrying factor than imports is the effect of high interest rates on retail demand. "One of our great concerns is the problem of credit control among our smaller customers.

This is not a problem to which Mr Monty Sumray has to pay a great deal of attention.

His company, Fiona Footwear, is one of those which is virtually unknown to the High Street buyer, but which still has an important share of the market. It is a supplier of own label brands to Marks and Spencer and other multiples.

"The great fear of the industry is overstocking," Mr Sumray says, "though this is not a problem in dealing with Marks because it keps such tight control over stocks.

"Behind this fear the underlying problem facing so much of the industry is that it invests too little.

"We are spending £4.4m on expanding our plant at Bridgend in South Wales and we continued to invest in new equipment throughout the depression. It is the only answer to counter foreign goods.

"Too many British companies only invest in the good times. You have to spend all the time."

Fiona Footwear has, as a result of this policy, managed to increase its employment to around 800 in the five factories in South Wales and expects to add a further 150-200 workers when the new investment comes on stream in mid-1986.

This makes it a large employer in the industry—one factory in sevene employs fewer than 100 people. It indicates how important Marks & Spencer has become as a retail point for shoes.

The High Street is dominated by British Shoe Corporation, which controls most of the best-known names, including Saxone, Lilley & Skinner, Freeman Hardy & Willis, True Form, Dolcis, Manfield and Roland Cartier. Its profits from shoe sales alone are £71m and its £525m turnover accounted for about a quarter of High Street sales last year.

Other groups, such as Stead and Simpson, Stylo or Olivers, come nowhere near this. But they have their attractions, as the recent bid by British Land for Stylo has shown.

Shoe sales do not change dramatically, though, and after the merger mania of the 1950s, when British Shoe gobbled up every outlet available till the point came where it became a statutory monopoly, spending has not changed dramatically either.

In the last year, however, it has gone up, after remaining virtually static for years. The trade is now hoping that the Chancellor will not choke off the growth in the Budget.

Terms of Ward White's offer

Terms of the Ward White bid are five of its shares for every six Foster shares, with a cash alternative of 170p for each Foster share.

At yesterday's closing price for Ward White of 218p, down 7p, the offer values Foster at 182p per share. Foster shares rose 48p to 186p.

Full acceptance of the offer would result in Ward White issuing about 41.7m shares, 37.6 per cent of the enlarged capital.

To provide the cash alternative, Morgan Grenfell is offering to buy or fund buyers at 204p per share for the Ward White shares to which Foster shareholders would be entitled.

Ward White already holds 470,000 or 1 per cent of Foster's equity.

Midland settles lawsuits over Crocker bank

Crocker National Bank, Midland Bank's California subsidiary, has reached an agreement to settle a number of lawsuits by shareholders arising from the bank's recent losses and Midland's decision to buy the 43 per cent of Crocker which it does not own.

Shareholders have agreed to accept the terms of Midland's offer and to drop their actions. However, finalisation of Midland's acquisition will have to await the settlement of one more suit by holders of Crocker preferred stock who are claiming the right to vote on the terms of the deal.

Midland is proposing to finance the $225m (£204.5m) acquisition with an issue of preferred stock.

Astra Industrial expands

Astra Industrial has agreed to purchase from Bogod-Pelepah the capital of Ibis Manufacturing, a subsidiary engaged in the manufacture of laundry and related machinery. The consideration is £576,000 and will be met by Astra issuing nearly 6.05m of its ordinary shares at 7.25p each, and the payment of some £140,000 in cash.

Of the shares to be issued, Astra has arranged nearly 4.05m to be placed with a number of institutions at the issue price, and Bogod will retain the balance. Bogod will use the funds being released to expand its business and in particular to assist in the financing of the extension being built at its Cardiff premises.

Astra will acquire the Ibis shares at net asset value based on accounts to be prepared to February 8 1985; purchase the related factory premises owned by another Bogod subsidiary for £210,000; and arrange for the inter-group loan account between Bogod and Ibis to be repaid, less a reserve pending final accounts. The amount presently payable is £386,000.

For the year ended March 31 1984 Ibis incurred a loss of £25,000 on turnover of £1.14m. Net assets at that date were £14,000 before settlement of inter-group balances of £496,000, and the net book value of the related factory premises was £162,000.

Manor National again in bid talks with Bramall

Manor National, the Manchester-based motor dealing and leasing group, said yesterday it was in talks with the C. D. Bramall dealership group of Bradford, West Yorkshire, which it expected to lead to an agreed bid for Manor at "approximately current market levels."

Shares in Manor National rose ½p on the news to close at 12½p, valuing the company at some £2.17m Bramall added 3p to 130p.

Bramall declined directly to confirm the plans, but said it would be making a statement "before the end of the week."

The two companies held discussions on similar lines last year, but these were terminated in September. This left Bramall holding a 5.175 per cent stake in Manor, which it said at the time it would retain as an investment.

Manor, a Ford and Austin main dealer has made losses for every year since 1980, but said last December it expected to return to profitable trading early in 1985. In August it aranged a management buyout for its insurance broking offshoot which, although profitable, was in its view too time-consuming.

In 1983 Manor showed a taxable deficit of £53,000, on turnover of £59.67m, and for the second year running made a small profit for the 1984 first half.

Bramall made pre-tax profits of £2.13m in 1983, on sales reaching £67.28m. It too is a Ford main dealer.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Crest Nicholson	2.5	April 12	2.1	3.75	3.35
HunterPrint Group‡	2.68	April 5	2.3	4	3.5
Ind Precision Castgs int	0.62	April 1	1.86	—	5.12
Scottish American	3.9	March 28	3.35	5.6	4.85
Securicor	1.1†	—	1	1.59	1.44
Security Services	1.98	—	1.8	2.89*	2.45*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Public Works Loan Board rates

Effective February 13

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	12½	—	—	13¼
Over 1, up to 2	12¾	12¾	12½	13⅜	13⅜	13
Over 2, up to 3	12¾	12⅝	12½	13⅛	13⅜	13
Over 3, up to 4	12½	12½	12½	13½	13¼	12⅞
Over 4, up to 5	12½	12½	12½	13¼	13¼	12¾
Over 5, up to 6	12½	12½	12½	12⅞	12¾	12⅝
Over 6, up to 7	12½	12¼	12¼	12⅞	12⅝	12⅝
Over 7, up to 8	12¼	12½	12¼	12⅞	12⅝	12½
Over 8, up to 9	12½	12¼	12⅛	12⅝	12⅝	12⅜
Over 9, up to 10	12¼	12¼	12	12⅝	12½	12¼
Over 10, up to 15	12½	12	11¾	12½	12¼	12
Over 15, up to 25	11⅝	11⅝	11⅝	12¼	11⅞	11⅞
Over 25	11½	11	11	11½	11½	11⅝

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Anthony Moreton talks to the architect of Entrad's £124m offer for Tootal

Getting to know Mr Textiles

MR ABE GOLDBERG confesses that he has had his sights on Tootal for some time, even though he did not start buying shares in the Manchester-based textile giant till last August.

His interest arose even before their paths crossed commercially. That happened two years ago when Entrad, the Australian company of which he is chief executive and virtual controller, entered into talks for Bradmill, Tootal's Australian textiles-to-clothes group.

At the time of his initial inquiry Mr Goldberg's interest may have seemed a case of lese-majeste. Entrad had a turnover of under £40m, a tenth of the Tootal figure.

Tootal was a world leader in cotton threads and had a vast, integrated business in Britain. Entrad was unknown outside Australasia.

But as yesterday's offer document from Entrad shows, Mr Goldberg is not a man to be put off. He has built Entrad in a very short time to a concern with a turnover of around £300m and now feels he can take on some of the biggest names in the business.

"The price we have offered for Tootal is generous," he says. "We hpl talks in December below that figure and a now hope the board will recognise the fairness of our price."

To most people in the textiles world both Mr Goldberg and Entrad are still unknown quantities, even though in Australia he is known as Mr Textiles.

The sort of flamboyance that goes with such titles does not really appeal to him. Although he owns a dominating 40 per cent of the company he prefers others to do the front running: a long-time friend, Mr Arnold Bloch, is chairman and second largest shareholder.

The relationship between the two men is similar to that between Sir James Spooner, non-executive chairman, and Mr David Alliance, chief executive at Vantona Viyella. Both chief executives shun the limelight, leaving others to take the public limelight. But there is little doubt where the power resides.

If Entrad wins Tootal much of the limelight will fall on neither Mr Goldberg nor Mr Bloch, but on Mr Rod Hartley, one of the two deputy chairmen and head of Entrad's textile interests. Mr Hartley will run the ship while Mr Goldberg looks for others to board. Win or lose, Tootal is by no means the end of the Goldberg-Entrad ambitions.

The company already has eyes on the American market and would like a bigger public face in Britain. Like so many other Australians Mr Goldberg, having conquered his home territory, wants to play the world stage.

Entrad now dominates the Australian market for clothes and textiles, a field it has been in for only 23 years.

It was founded in 1960 as Development Underwriting to act as a merchant bank, went into general finance, property developmet and, by 1962, textiles and clothing. By the time Mr Goldberb bought it in 1979 textiles had become its main income earner.

Mr Goldberg had been in textiles in a small way ever since his arrival in Australia in 1948. He was born and brought up in Germany and left his native Stuttgart at the age of 18 in 1948.

A small, somewhat roly-poly, jolly figure in whom it is still possible to detect the occasional trace of his native language, he is a much more gregarious man than the rather austere men who run the major British concerns.

It was the takeover of Bradmill, though, in December 1983, which was to project both him and Entrad into much bigger things.

owned by Tootal, which had been blocked by the Australian National Companies and Securities Commission from selling it in 1981 to Bruck, another Australian company. As a consequence, Tootal was at a loss to know what to do with its unwanted Antipodean offshpring.

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"We were going alone not quite knowing what to do," says Mr Hartley, then Bradmill's managing director. "Tootal was desperate for cash and needed to sell, so that when Mr Goldberg came along with an offer that was acceptable to the commission, a deal was quickly struck."

Last June the two were merged, Entrad's property interests sold and other management changes made. The whole of the company's textile and clothing interests are now grouped under Bradmill, with Mr Hartley as the head, while the parent looks after other activities, such as catering services and the servicing of construction projects in out-of-the-way places, tyres and oil and gas. The company had moved into oil and gas in the U.S. in 1981.

"Mr Goldberg's methods have been stunning," Mr Hartley says. "We don't have any standing committees in the company. There is a lot of talking on the phone but managers are allowed to get on with the job.

"If they produce the results they get paid handsomely. If not..." and he trails off, leaving the unasked question unanswered.

"If you let management manage and reward them well, then they have every incentive to produce good results," Mr Goldberg says. "This is the secret. Provide open-ended incentives. If this means they earn more than I do, that's fine. It means they are producing the results."

Mr Abraham Goldberg (left), chief executive of Entrad, and Mr Rod Hartley, head of the group's textiles division.

As a result of the acquisition of Bradmill, followed by the purchase of Courtaulds Hilton from Courtaulds, Entrad now has a turnover of A$430m (£297m). The original Bradmill contributes A$220m of that, with Courtaulds Hilton A$80m and other textile interest A$100m. Non-textile interests are comparatively small, contributing A$50m.

Tootal would take Entrad into a different league: a combined company would probably rank about eighth in any world textile league. It would have a turnover just behind America's J. P. Stevens or the UK's Coats Patons, but rather ahead of Japan's Kanebo or West Point-Pepperell of the U.S.

"We think Tootal is at a watershed," Mr Hartley says. "We don't think it can go any further with its present style of management. It is very vulnerable to the next downturn in the textile cycle and we believe we can improve it."

"We would improve it," says Mr Goldberg, more emphatically, "by injecting our enormous marketing strength. Tootal has a marvellous name, but it is not being used properly. We shall inject our heavily market-oriented drive into the concern."

What Entrad will not be, he says, is an asset stripper. "Anyway, there are no assets left to strip after the reconstruction of the past five years.

"Tootal has improved its results, but all through closures and sales. I see no signs of re-birth.

"Where is the brand name, the advertising, the marketing? In Australia, we don't believe in having a company with a nacional brand unless it is a leader in its field. That's where we want Tootal. The leader in its field."

'Terms value Tootal shares at 20-year high'

ENTRAD'S 70p a share cash offer for Tootal represents the highest price the British company's share has reached in at least the last 20 years.

This is one of the main points made by Mr Abraham Goldberg, chief executive of Entrad, in a letter posted yesterday to Tootal shareholders containing the offer document.

The offer, valuing Tootal at £124m, "exceeds its latest audited attributable net assets of £109.7m by 13 per cent," he states, "even before taking account of the £234m outflow from reserves shown by the interim results to July 31, 1984."

Other points made by Mr Goldberg are that the offer represents an increase of 44.3 per cent over the price at which Entrad first acquired Tootal ordinaries in August 1984 and also represents an increase of 27.3 per cent over the Tootal ordinary price at the close of business on January 29, the day before Entrad's last formal approach to Tootal.

Looking to the future, he says, Tootal shareholders should carefully consider how the company will weather the coming downturn in the textile cycle.

"It is only our confidence in Entrad's proven ability to develop more entrepreneurial attitudes and marketing flair in the businesses it has acquired that enables us to make this offer, which represents a very full price for your shares."

The document makes clear that the offer is cash and is dependent on acceptances being received not later than 3pm on March 6 for not less than 90 per cent of the ordinary shares. Entrad already owns 10.25m shares, representing 5.8 per cent of the equity.

The offer is also conditional on it not being referred to the Monopolies Commission.

The offer is being made by Entrad Investment (UK), a wholly-owned subsidiary of Entrad Corporation of Australia. Entrad UK's directors are Mr Abraham Goldberg, Mr Stanley Dorobek and Miss Barbara Karp.

Entrad is listed on the Sydney exchange with its equity share capital owned 78.2 per cent by Mr Arnold Bloch, chairman, Mr Marcus Besen, a director, and Mr Goldberg, chief executive.

Daejan passes £6.25m mark at halfway

Pre-tax profits at Daejan Holdings, proeprty investment and trading company, improved from £5.15m to £6.28m in the six months to Setpember 30 1984. The directors say present indications are that group pre-tax profits for the full year to March 31 1985 will not, subject to the outcome of a major rent review, differ materially from the £12.82m of the previous year.

In the period under review, rent and services charges, less property outgoings, totalled £3.46m (£2.96m), and there was a surplus on sales of properties, less other activities, of £5.46m (£4.6m). Finanical charges and other expenses accounted for £2.64m compared with £2.45m.

Pauls' rejection

Pauls, the animal feed, malt and flavours and fragrances group, yesterday repeated its rejection of the £101m bid from Harrisons and Crosfield, the plantations and chemicals concern.

Pauls said the offer "does not reflect the value of Pauls, or the future of its business." It advised shareholders to take no action.

21% uplift for Crest Nicholson

DESPITE ITS commercial and industrial division falling well short of expectations, the Crest Nicholson group has lifted its pre-tax profit by 21 per cent, from £7m to £8.52m in the year ended October 31 1984. A final dividend of 2.5p gives shareholders a net total of 3.75p, against 3.35p.

The property side showed a profit advance of 55 per cent to £8.8m, before unallocated central and finance costs, with both residential and commercial development contributing. Profit from commercial and industrial operations fell from £2.11m to £901,000 mainly through a decline at En-tout-cas, which suffered from the unprecedented cutback in Local Authority and other Government expenditure on sports and leisure facilities.

Looking ahead, the directors say that prospects for further growth in 1985 are supported by targets against which all group companies are working and, with the usual provisos, they expect another year of record profit.

In the property sector, it is too early to assess the full impact of the rise in interest rates, but overall there is still confidence that the division will continue to build on the achievements of the past 10 years. Successful land acquisition has laid the foundationst for continuing growth in the housing market, while on the commercial side more substantial developments are being sought.

On the commercial and industrial side the company has adjusted and reduced its exposure to the changed sports and leisure market; and in general the other operations performed creditably. There is good reason to believe that 1985 will see a marked improvement in profitability, the directors state.

Turnover in 1983-84 moved up from £72.32m to £90.84m, with property development accounting for £51.7m (£37.2m). The profit was struck after unallocated and central costs totalling £1.19m (£774,000).

Tax takes £3.49m (£2.75m) and minorities £6,000 (credit £32,000), leaving the attributable profit at £5.03m (£4.3m), or 11.53p (10.01p) per 10p share. There are extraordinary charges of £448,000 (£463,000).

● comment

Crest Nicholson's long-cherished aim has been to make its diverse portfolio of industrial and commercial businesses as successful as the original property companies. However, things have not gone to plan — for the third year in succession non-property profits are down, while property profits have grown relentlessly. Exceptional factors highlight the contrast in these results — property includes a large unquantified contribution from a commercial land sale at Leatherhead, while non-property is depressed by losses of perhaps £200,000 at En-tour-cas, which was hit by an unprecedented cut in local authority spending. Crest has lacked the boldness needed to transform the group by acquisition—its purchases have been too small, and their performance patchy. As a result, the market continues to rate the shares, up 7p to 93p, in line with quality housebuilders, rather than with the top industrial holding companies with which Crest would like to be compared. Assuming current year pre-tax profits of £9.5m and a 40 per cent tax charge the stock changes hands on a multiple of seven. While diversification away from the cyclical building industry is sound in principle it has not been too successful in practice — perhaps Crest would do better to concentrate its energy on what it knows best.

BOARD MEETINGS

TODAY

Interims: Addison Communications, Dale Electric International, Elbief, Imperial Group, Milbury, Old Court, International Resources, Michael Page Partnership, Joseph Webb.

Finals: AI Industrial Products, Anglo-American Securities, Birmid Qualcast, Glasgow Stockholders Trust, Killinghall (Rubber) Development Syndicate, Lancashire and London Investment Trust, Scottish Agricultural Industries, Tribune Investment Trust, Trust of Property Shares, Wagon Finance, Yeoman Investment Trust.

FUTURE DATES

Interims—	
F. and C. Eurotrust	Feb 18
Intereurope Technology Services	Feb 26
Land Investors	Mar 11
Watsham's	Feb 22
Finals—	
BSR International	Mar 6
Cobra Emerald Mines	Feb 15
Davies and Metcalfe	Mar 7
Energy Recovery Invest. Corp.	Feb 28
Greggs	Mar 11
Miss World	Feb 28
Standard Telephones & Cables	Feb 27

Butterfield says yes to increased offer

Butterfield-Harvey, the maker of Shelvoke dustcarts, has agreed to last month's takeover bid from Technology Inc after the U.S. industrial and aerospace company increased its offer by £300,000 to £3.9m.

TI has increased its bid for each 25p ordinary Butterfield share to 27p per share from 25p. TI already owns 11.1 per cent of Butterfield's ordinary equity and has options and conversion rights which, if exercised, would give it a total holding of 55.1 per cent of the enlarged capital.

TI also announced yesterday that it has agreed terms for an offer for the Butterfield preference shares worth 60p cash for each 5½ per cent cumulative £1 preference share. Butterfield has 250,000 preference shares in issue to value this offer at £150,000.

Butterfield began looking for alternative offers after TI announced its original bid on January 17, but the increased offer has now been recommended by the Butterfield board, excluding two directors who also sit on TI's board.

Butterfield's shares rose 1½p yesterday to close at 26½p. TI bailed Butterfield out in 1983 when it subscribed to £2m worth of convertible loan stock and followed this up with an arrangement for Midland Bank to provide a further £1.6m of new funds in July 1984.

Butterfield continued to make pre-tax losses in the six months ended September 1984.

Telecom offer

About 6,600 applications for British Telecom shares offered in the UK were rejected as suspected "multiple applications," junior Trade and Industry Minister Mr John Butcher said yesterday.

"We are considering whether further action would be appropriate in respect of certain of these applications," he said in a Commons written reply.

Crown Intl.

Crown International Productions, the film and video company in which Reed International this week agreed to take an 8.33 per cent stake, boosted pre-tax profits from £80,182 to £218,460 in the year to September 1984. Turnover rose from £762,997 to £875,535.

Consolidated net assets at the year-end were £656,468. Crown is due to be launched on the USM on March 14. Shares in the Esher-based company are currently traded under Rule 535 (2).

Mowlem acquisition

The Mowlem Group has acquired the contracts of the special works division of Hayward and Wooster from the company's joint liquidators. It had a turnover of about £3m, carrying out small to medium-sized building contracts from bases in Bath, Bristol and Bournemouth.

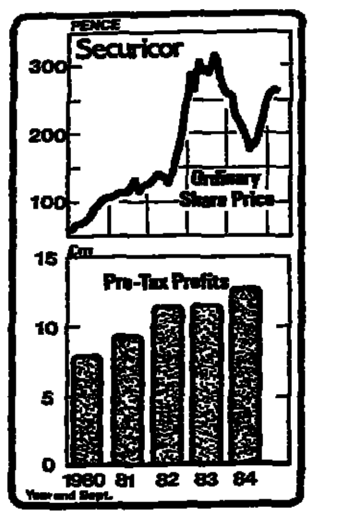
UK COMPANY NEWS

Securicor hopes for Cellnet growth

A RISE of 11 per cent in taxable profits at Securicor Group, and a 13 per cent increase for its separately listed subsidiary Security Services, are regarded as "creditable progress" by Mr Peter Smith, the group chairman.

He says that the trading pattern in the early part of the current year has been generally buoyant, and that this is a clear reflection of the basic soundness of the business and its development strategy.

The Cellnet cellular radio network, which the group operates jointly with British Telecom, opened in the Greater London area last month, and the chairman says that over 60 per cent of the UK should be covered by the end of 1985. He adds that arrangements are well in hand to meet the Government's requirement that the service covers over 90 per cent by the end of 1989.




Mr Peter Smith, chairman of Securicor.

In cellular radio, the marketing of the group's own range of instruments, collectively named Go Phones, is being conducted by Securicor Robophone. "Securicor's experience and reputation in the field of radio communications during the past *20 years is already proving* invaluable in the development of this exciting new market area," says Mr Smith.

In the year to September 28, 1984, Securicor lifted pre-tax profits from £11.52m to £12.84m, *with the major proportion* — £6.69m against £5.73m — coming from UK security and parcels services. The 50.7 per cent owned Security Services, which operates this division, also turned in £2.37m (£2.14m) from the same activities overseas, and added £1.08m against *£1.07m of* the total group returns from property, investments and finance at £2.49m against £2.44m. Securicor's property, hotels and vehicles division moved ahead *from £1.21m to £1.3m.*

Earnings per share rose from 10.3p to 11.3p at Securicor, and from 10.5p to 11.3p at Security Services. The chairman considers that these increases fully justify the dividends forecast at the time of the rights issue. As expected, there are respective final payments of 1.1p net per share (1p) and 1.98p (1.8p) on increased capital. The totals are 1.59p (1.44p) and an adjusted 2.89p (2.45p).

Group turnover advanced from £236.74m to £248.69m at home and from £30.79m to £35.45m overseas. The tax charge totalled £5.63m (£4.9m), and *there was an extraordinary debit* of £1.68m (nil) for prior year deferred tax. Minority holdings accounted for £2.63m (£2.44m).

Commenting in detail on the year's operations, Mr Smith says *that parcels and freight services* have again made solid progress. Though not yet in overall profitability, development of international *air services has* continued during the year and has resulted in further substantial turnover growth.

Pony Express, the letter courier service, has continued to expand, and achieved a further 27 per cent profit improvement. Since the acquisition of the service its area of operation, originally confined to London and the Home Counties, has been extended to Birmingham, Manchester, Leeds and Glasgow. Further expansion to *other main towns and cities is in* progress.

Last year the chairman reported the "gratifying profitability" achieved following the unification of the alarms division with Securicor Granley Systems. This division has again made a substantial contribution to profits during the year under review.

There was good progress in the newly developed banking support services in the handling, counting and specialised processing of banknotes and coins, he adds.

● comment

With most areas of the business ticking over nicely, the main *interest in* yesterday's Securicor results was the performance of the air courier services, which incurred losses of £1.3m in 1982-83. This time the company does not split out these figures, presumably because they are less material and the fact that a number of new services, particularly in Europe, have been added. Suffice to say that this side of the business is still in the red but the extra volume should ensure black figures this year. On the traditional security services and cash-in-transit businesses, the fact that this is a mature market makes competition fierce and margins tight. This has spurred the group to develop fringe activities such as coin and note processing but these still have to make any *significant impact.* While all these activities still have some potential for growth, the main prospects lie in the company's involvement with cellular radio and the link with British Telecom. Here, the recent rights issues is providing essential investment and the progress to date should ensure that profits should start flowing in 1987-88. This is fully reflected in Securicor's p/e of over 22 at 255p, down 3.

HunterPrint 'confident' as profits rise to over £2m

HunterPrint Group saw its pre-*tax profits rise by 18 per cent in* the year ended September 30 1984 from £1.71m to £2.02m. Some £1.1m of this was achieved in the second half.

The directors of this USM-quoted, Northamptonshire-based, commerical colour printer are recommending a final dividend of 2.675p against 2.3p, totalling 4p (3.5p) for the year, a 14 per cent increase.

Sales improved by £15.2m to £35.98m over the year, and the directors say that the current year has started well, with increased turnover and profitability compared with the corresponding period.

Looking ahead, they say that group *profitability in 1984-85 will* benefit from the two large presses installed at Peterlee in June and September. This, when added to the turnround in the recently acquired Eastleigh companies which added £8m to sales for little profit in the year under review, give the directors confidence that there will be further progress in the current year.

Tax for the year took an increased £156,000 (£124,000), and there were extraordinary *items this time of £38,000.*

After dividends absorbing a higher £331,000 (£289,000), retained profits emerged at £1.49m against £1.29m, for stated net earnings per 25p share up from 19.12p to 22.5p.

NatWest set to enter into full-scale Spanish banking

National Westminster Bank is expected shortly to announce an agreement which would enable it to enter large-scale retail banking in Spain.

The agreement would involve NatWest taking a 50 per cent stake in a network of branches belonging to the Majorca-based March group.

A spokesman for NatWest in London *said discussions* with Banca March were "progressing well." He gave no details of the plan, saying that a statement would be made next week when an executive director of NatWest would be in Madrid.

NatWest set up a Spanish branch in 1979, but under Spain's banking laws its branch and deposit-taking operations are strictly limited.

The only way, so far, for a foreign bank to get into the mainstream of retail banking has been to *take over an existing* Spanish bank with the approval of the Spanish Government. Barclays Bank, Banque Nationale de Paris and Citibank have already done this by absorbing ailing banks.

The proposed NatWest deal would involve an association with Banca March through the latter's subsidiary Banco de Gerona. Banca March, which took over this small bank in 1983, would make over to it most of its own branches on the Spanish mainland. This would give it a strong presence, especially in the Catalonia region and in Madrid.

Utd. Real Property ahead at halftime

PRE-TAX PROFITS of United Real Property Trust, a property *investor* and developer improved from £2.29m to £2.57m in the first half year to October 5, 1984.

An unchanged interim dividend at *3p per 25p* ordinary share is declared — last year's total was 8p, paid from profits of £4.76m.

For the year as a whole, no significant change in the level of the group activities is expected, the directors say.

In the *half year* under review, net rental and service income was down from £2.52m to £2.46m before administrative and other charges of £139,000 (£145,000) and interest payable of £300,000 (£311,000). Interest receivable amounted to £524,000 (£198,000) and income from related companies added £22,000 (£30,000).

Main activities of the group have continued to be property investment and development in the UK and Australia, the directors state. Rent increases have been more than offset by the absense of income from the Australian property sold towards the end of 1983. The increase *in interest receivable arises from* cash proceeds generated by this sale. This cash is, however, now being utilised to meet development expenditure, the directors say.

Tax for the half year was £1.17m (£1.04m) and minority interest took £29,000 (£21,000) leaving attributable profits of £1.37m (£1.23m).

Ariel Industries losses increase

Pre-tax losses at Ariel Industries, manufacturing group for industrial fasteners and light *engineering products, increased* in the six months to September 30 1984 from £50,500 to £85,900. Turnover was up from £4.25m to £4.72m.

The chairman in his statement for the year ending March 31 1984 said he expected to be able to regulate spending to keep the group marginally in profit during its current diversification programme, although he noted that expenditure temporarily exceeded incomes in 1983-84.

Yearlings at 12⅜%

Yearling bonds totalling £9.4m at 12⅜ per cent, redeemable on Febraury 19 1986 have been issued by the following local authorities: Derby City Council £1m; Bury Metropolitan Borough Council £0.5m; Llanelli (Borough of) £0.15m; Maldon District Council £0.5m; Ogwr BC £0.5m; *Restmorel BC £0.25m; Birming*ham (City of) DC £2m; Chester (City of) £0.75m; Grampian Regional Council £2m; Lincoln (City of) £0.25m; Dudley MBC £0.5m; Tunbridge Wells BC £0.5m;Monklands DC £0.5m.

John Williams

Preliminary management *accounts of John Williams of* Cardiff indicated tha the group had traded profitably for the first four months of the current year after interest payments, Mr *D. L.* Williams, chairman, told the annual general meeting.

Performance of the steel stockholder and foundry group continued to improve and Mr Wiliams expected the half-year results to show a modest profit, although it was too early to assess the effect of interest rates on customer demand.

The group has returned pretax losses for the past four years (£270,000 loss for year to September 30, 1984).

British Dredging

Equity Capital for Industry has reduced its holding in British Dredging, shiprepairer, and building materials supplier from 11.9 per cent to below 5 per cent in line with its increasing emphasis on investing in unquoted stocks.

Funds managed or advised by M & G Investment Management have acquired 1.2m shares, or 7 per cent, increasing their holding in Dredging to 2.6m or 15.1 per cent.

Newmarket Co.

Newmarket Co., investor in venture capital projects, had a net asset value per share at end-December 1984 of $2.44 (£2.10), compared with $3.63 (£2.50) a year earlier.

This Bermuda-based company suffered a net loss this time of $769,000 against $1.04m, or $0.02 ($0.04) per share.

MINING NEWS

Amax discovers a secret in the Slumbering Hills

BY KENNETH MARSTON, MINING EDITOR

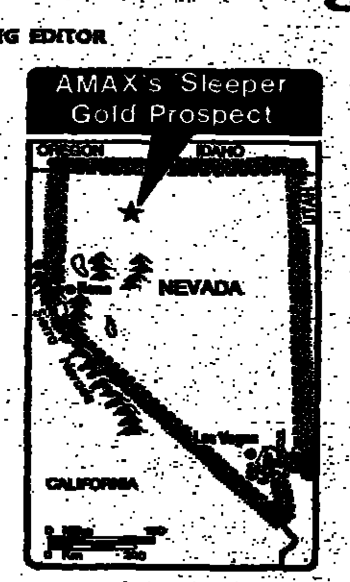
IN ITS search for new revenue America's Amax diversified natural resources group *has* discovered a relatively small, but promising, gold prospect in north-western Nevada. Named the Sleeper, after the nearby Slumbering Hills, the prospect holds the promise of becoming a very low cost open-pit operation.

The shallow deposit is still open in all directions, but preliminary estimates indicate at least 3.8m tonnes of mineralisation averaging 4.46 grammes gold per tonne plus 25g silver. The Amax chairman, *Mr Pierre* Gousseland, said in London yesterday that the deposit could be brought to production within 15 to 18 months at a modest capital cost.

Initial planning is for ore production at a rate of 450 tonnes per day which, if expected recoveries are achieved, should mean an annual output of 55,000 oz gold and 60,000 oz silver. "We anticipate the mine would be one of the lowest cost producers in the world," said Mr Gousseland.

Amax has been exploring in the area since 1982 and has pegged much of the surrounding ground. Asked why others had not previously spotted Sleeper in this gold mining county, Mr David Ball, senior vice-president and secretary of Amax, said, "I guess we were lucky."

Amax can use some luck after the disastrous experience of last year when after a promising start, the prices of most metals—notably aluminium—sank back to uneconomic levels in terms of U.S. dollars. "We thought we could see the light at the end of the tunnel, but it turned out to be an oncoming freight train," said Mr Ball.



So it was, with a final quarter loss of $259m (£238m), including write-downs of $206m, which wiped out the year's earlier quarterly net profits to leave a net loss for 1984 of $238m, equal to $3.86 per share, compared with a net loss of 1983 of $489m.

On the plus side, Amax entered into a joint U.S. oil and gas exploration venture with Britoil for which it sold the latter a 50 per cent interest in most of its U.S. petroleum reserves. These reserves have now been largely replaced by Amax as a result of acquisitions and exploration.

Amax also continued with its cost-cutting programme and has improved productivity at its molybdenum operations by over 30 per cent since 1981. It expects to maintain profitability this year at its coal and petroleum operations and the Australian iron ore interest via the holding in Mount Newman.

For the rest, much depends on the U.S. dollar, the strength of U.S. prices of metals but also encourages competition from foreign operations. In the meantime, further sales of non-mainstream assets are planned, notably the chemical fertiliser business interest in which has been already expressed by *potential buyers.*

Mr Gousseland said that future strategy would lead the company into becoming a supplier of *industrial materials*—probably via acquisitions—rather than of metals alone. But a main objective will be to reduce the debt burden which, although lowered by $261m last year, still stands at an awesome $1.4bn.

Western Australia gold ventures given go-ahead

TWO OPEN-PIT gold operations have been given the go-ahead in Western Australia. The first is the A$12m (£8.2m) Mt Percy venture at Kalgoorlie, in which the partners are Windsor Resources (54.5 per cent) and *the Black Hill Minerals group* (43 per cent). The remaining 2.5 per cent is held by Mr Alan Bond's Dallhold Investments.

Mt Percy is expected to reach full production in November at an annual rate of 330,000 tonnes *of ore. Gold recovery is expected* to run at 34,000 oz a year, on the basis of a head grade of 3.42 grammes per tonne.

Using a cut-off gold grade of 1.5g per tone, current proven and probable reserves are put at 3.6m *tonnes grading 3.8p gold per* tonne. Operating costs are estimated at A$23 per tonne of ore treated.

The production facilities are designed to allow for an increase in annual ore throughput to 600,000 tonnes at a cost of A$3.5m. The partners hope to achieve this in four years with the addition of increased ore reserves.

The second project is the A$8.2m Blue Bird gold deposit near Meekatharra. Owned by Endeavour Resources, it will supplement mill feed for a 300,000 tonne per year plant, scheduled for commissioning in October.

Blue Bird's operating costs are estimated at A$170 per oz of gold. Ore reserves are put at 907,200 tonnes grading 4.77 gram gold per tonne.

Palabora ahead by R25m at year-end

When so many copper mines have been struggling to break even with *low metal prices,* the Rio Tinto-Zinc group's *open-pit* low grade Palabora operation in South Africa has been increasing earnings.

It announces an increased *net profit of R56.17m (£27.8m)* for 1984 compared with R31.94m in the previous year. The latest result is struck after deducting *interest payable and foreign* exchange losses of R17.77m against R8.43m last time.

Palabora is lifting its final dividend to 80 cents (24.8p) which brings the total for the year to 110 cents compared with 80 cents in 1983.

COMPANY NEWS IN BRIEF

The net asset value per share of Scottish American Investment was 296.9p (259.9p) as at *December 31 1984.* Overseas investments in the year to that date represented 54 per cent of shareholders' funds, while 15.6 per cent was in unquoted companies.

Net revenue before tax rose to £4.93m (£4.04m), on dividends and interest receivable of £6.29m (£7.17m) and other income of £90,000 (£52,000). Final dividend *is* 3.9p making 5.6p *for* the whole year (4.85p). Earnings per share were 5.69p (4.56p).

* * *

Channel Islands and International Investment Trust results for 1984 show the net *asset value per capital share* at 645p (506.1p) at December 31 1984.

Pre-tax revenue rose from £432,301 to £502,196. Earnings per share were 40.18p (34.58p). The dividend per share is raised to 50p, compared with 44p in 1983, less Jersey tax.

* * *

Premier Consolidated Oilfields says acceptances have been received in respect of 90 per cent of the 44,725,559 new ordinary offered by way of *rights to shareholders at 38p* per share.

The new ordinary not taken up have been sold at a net premium of approximately 9.8p which will be distributed to the provisional allottees, except that individual amounts of less than £2 will be retained by the company.

* * *

Investors Capital Trust had a net asset value of 271.6p at the end of 1984, compared with 231.3p at end-November 1983. The final dividend is increased by 0.5p to 2.45p, making a total of 3.95p (3.45p).

After tax of £1.51m (£1.63m), net profits of this Edinburgh-based investment trust for the 13 months emerged at £2.53m *against £2.23m for the previous* year, with stated earnings per 25p share ahead at 3.98p (3.49p).

* * *

Pre-tax profits *of* £157,000 against £85,000 at Industrial Precision Castings were broadly in line with *first-half* expectations, Mr W. J. Watts and Mr F. E. Whittington, joint chairmen, say.

In line with the policy of paying 25 per cent of net profit before tax, a *0.62p interim dividend* is being paid, compared with 1.86p last time, and 5.12p for 1983-84 on profits of £274,600. Stated net earnings per 10p share more than doubled to 2.11p (1.01p).

The chairmen of this unquoted company which manufactures and markets light alloy castings, mainly for the aerospace and defence industry, add that orders are being placed for the next generation of Airbus aircraft which they expect will add to *the solid base for a return to* better profit margins.

* * *

Bracknell Newspaper, a wholly-owned subsidiary of BET Group member, Argus Press Holdings, has acquired the four newspaper *titles of the Windsor Express* Group, which has a circulation of 80,000.

Mr Norman Richards, chief executive of the newspaper and printing division of Argus Press Holdings, takes over as chairman from Mr Jack Reader, who will be retained as a consultant.

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SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday February 14 1985

New D-Mark foreign bond issues halted for three weeks, Page 44

WALL STREET

Fed gives a welcome signal

AFTER INDICATIONS that the Federal Reserve was keeping its credit policies unchanged, Wall Street yesterday recovered its balance, with improvements in both the equity and bond markets, *writes Terry Byland in New York.*

It was another heavy trading session in the stock market, and prices moved up smartly at mid-session. A rise in federal funds and other short-term rates was checked temporarily by the Fed, which announced $2bn in customer repurchase arrangements.

The bond market brightened, and blue-chip and second-line stocks advanced briskly as turnover quickened.

By 3pm the Dow Jones industrial average was up 21.31 at 1,297.92.

The Fed's intervention came when federal funds had traded up to 8¹¹⁄₁₆ per cent. With the Board's Open Market Committee in session yesterday, the repurchases were seen as a welcome sign that the Fed was not pushing for higher rates.

Further encouragement came from a leading credit market analyst, who predicted that today's money supply statistics would confirm that the aggregate was rising less sharply than feared, and that the Fed would not tighten policy.

A rise of only 0.7 per cent in January retail sales, announced yesterday, strengthened the case for neutral federal reserve policies.

Car stocks were dormant with General Motors easing $⅛ to $79⅝ while Ford gained $⅛ to $45⅝, both in moderate trading.

IBM picked up, helped by market analysts' favourable reception to the new Sierra computer. At $132½, IBM stock gained $¾ in much reduced turnover. The rival mainframe computer makers, long accustomed to living with IBM's grip on 76 per cent of the world market, also steadied. Honeywell at $62⅝ added $⅝.

Manufacturers of IBM-compatible computers, which could find themselves left behind when IBM introduces its new machines, wavered yesterday. National Semiconductor at $13¼ shed $⅜ in heavy turnover, but Amdahl was $⅛ better at $17⅝.

Digital Equipment, which terminated its Rainbow computer, now also faces severe competition from IBM in the scientific markets. At $115½, Digital fell a further $1½ on renewed selling.

Data General was also under selling pressure again, and fell $1⅝ at $57⅞, with another 1m shares traded as Wall Street digested the board's warning that second-quarter profits would disappoint analysts.

Among personal computers, Apple took a beating, falling $1⅝ to $28⅝ in heavy turnover. Commodore International, however, added $⅛ to $13⅞.

Airline stocks were again in good form, with domestic carriers led forward by United Air, $⅝ better at $46 and American Air, $⅝ higher at $38¼. The main boost to the Dow transportation average came from rail stocks, where Burlington Northern jumped $1¼ to $57⅝, and Santa Fe Industries was $⅝ up at $29½.

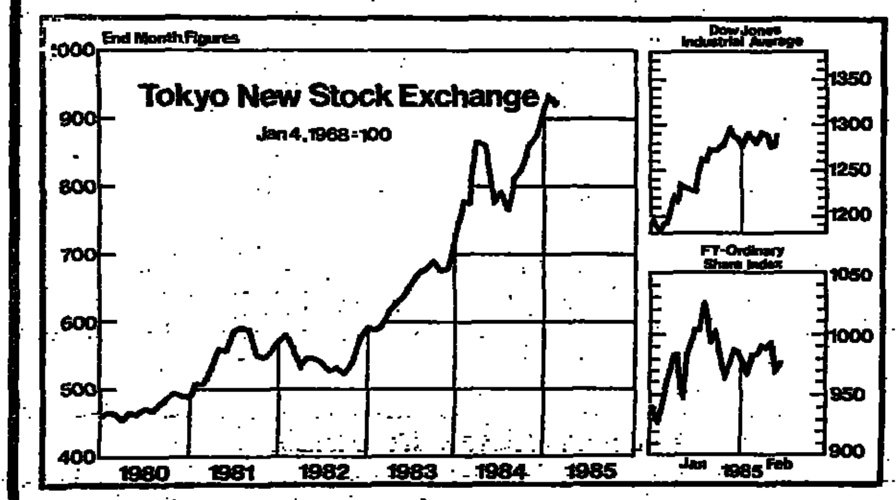
The stock market gave a thumbs down to the latest Icahn offer for Phillips Petroleum. Phillips fell $⅝ to $49⅝, far below the $60 offer by Mr Icahn for 70m shares and the $62 a share "poison-pill" defence proposed by the oil company's board.

Atlantic Richfield was $1⅛ up at $47⅛, on benefits for their North Sea interests after Britain's decision not to enter a natural gas deal with Norway.

Despite the strong dollar, pharmaceuticals strengthened ahead of the profits season. Merck at $97⅞ added $⅝, and Abbott Laboratories jumped $⅛ to $47¼.

The federal funds rate resumed its climb despite the Fed's intervention, and at 8⁹⁄₁₆ per cent, helped to keep short-term rates high. Bonds tried to improve but were restrained by the overhang of Treasury paper taken on board at last week's auctions.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Feb 13	Previous	Year ago
NEW YORK			
DJ Industrials	1,297.92	1,276.61	174.18
DJ Transport	630.65*	625.33	507.81
DJ Utilities	150.80*	149.67	125.63
S&P Composite	182.73*	180.56	154.95
LONDON			
FT Ord	977.9	970.1	816.6
FT-SE 100	1,282.0	1,293.0	1,018.3
FT-A All-share	615.59	613.38	489.33
FT-A 500	672.74	669.35	523.12
FT Gold mines	490.1	489.7	606.0
FT-A Long gilt	10.88	10.88	10.21
TOKYO			
Nikkei-Dow	12,025.71	12,027.89	9,963.2
Tokyo SE	924.12	924.54	774.07
AUSTRALIA			
All Ord.	773.9	769.7	738.6
Metals & Mins.	445.3	435.7	512.4
AUSTRIA			
Credit Aktien	63.08	62.98	55.48
BELGIUM			
Belgian SE	2,150.35	2,149.84	–
CANADA			
Toronto Metals & Minls	2,182.7*	2,187.89	2,159.0
Composite	2,613.0*	2,602.1	2,377.8
Montreal Portfolio	131.76*	130.99	116.12
DENMARK			
Copenhagen SE	173.96	174.95	
FRANCE			
CAC Gen	198.9	197.9	166.2
Ind. Tendance	108.5	107.7	88.7
WEST GERMANY			
FAZ-Aktien	397.15	396.08	352.37
Commerzbank	1,156.9	1,152.5	1,039.3
HONG KONG			
Hang Seng	1,336.32	1,357.22	1,062.36
ITALY			
Banca Comm.	275.06	272.24	219.79
NETHERLANDS			
ANP-CBS Gen	198.8	198.1	159.4
ANP-CBS Ind	157.4	156.7	131.9
NORWAY			
Oslo SE	325.6	335.2	240.18
SINGAPORE			
Straits Times	805.74	805.51	1,063.44
SOUTH AFRICA			
Golds	858.7	859.0	886.8
Industrials	865.5	863.7	971.3
SPAIN			
Madrid SE	114.49	114.22	79.55
SWEDEN			
J & P	1,452.5	1,467.65	1,580.33
SWITZERLAND			
Swiss Bank Ind	413.3	412.3	366.0
WORLD	Feb 12	Prev	Year ago
Capital Int'l	194.4	195.3	178.9

GOLD (per ounce)

	Feb 13	Prev
London	$303.00	$302.50
Zürich	$303.00	$302.75
Paris (fixing)	$301.88	$302.56
Luxembourg	$303.10	$304.00
New York (Mar)	$303.60	$302.60

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Feb 13	U.S. DOLLAR Previous	STERLING Feb 13	STERLING Previous
$	–	–	1.088	1.0965
DM	3.299	3.295	3.59	3.585
Yen	262.75	263.15	285.75	286.25
FFr	10.085	10.045	10.9725	10.9225
SwFr	2.81	2.801	3.0575	3.0475
Guilder	3.741	3.734	4.07	4.0625
Lira	2,029.0	2,025.0	2,207.5	2,199.5
BFr	66.15	66.05	72.0	71.9
C$	1.34075	1.33945	1.4565	1.4545

INTEREST RATES

	Feb 13	Prev
Euro-currencies (3-month offered rate)		
£	14¼	14⁵⁄₁₆
SwFr	5⅝	5¹¹⁄₁₆
DM	6⅛	5⅞
FFr	11	11⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅝	9⅝
6-month U.S.$	9⅝	9⅝
U.S. Fed Funds	8¹¹⁄₁₆*	8⅝
U.S. 3-month CDs	8.80*	8.65
U.S. 3-month T-bills	n/a	8.21

U.S BONDS

Treasury	Feb 13 Price	Feb 13 Yield	Prev Price	Prev Yield
9¾ 1987	99¹⁹⁄₃₂	10.632	99¹⁴⁄₃₂	10.068
11⅝ 1992	101¹⁹⁄₃₂	11.295	101¹¹⁄₃₂	11.327
11¼ 1995	99⁹⁄₃₂	11.388	99⁵⁄₃₂	11.415
11¾ 2015	99¹⁷⁄₃₂	11.305	99⁹⁄₁₆	11.345
Corporate	Feb 13*		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	98	11.20	98	11.20
3⅞ July 1990	76½	9.55	76½	9.55
8⅝ May 2000	78⅝	12	78⅝	12
Xerox				
10⅞ March 1993	95¾	11.45	95¾	11.45
Diamond Shamrock				
10⅜ May 1993	11.90	93½	11.90	93½
Federated Dept Stores				
10⅜ May 2013	88.572	12.05	88.572	12.05
Abbot Lab				
11.80 Feb 2013	97.601	12.10	99.601	12.10
Alcoa				
12⅛ Dec 2012	96.897	12.65	96.897	12.65

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	72-00	72-03	71-21	71-26
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.71	91.72	91.65	91.68
Certificates of Deposit (IMM) $1m points of 100%				
March	91.03	91.03	90.93	90.97
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.64	90.66	90.55	90.58
20-year Notional Gilt £50,000 32nds of 100%				
March	103-04	103-20	102-28	102-26

COMMODITIES

(London)	Feb 13	Prev
Silver (spot fixing)	570.40p	567.75p
Copper (cash)	£1,303.50	£1,287.00
Coffee (March)	£2,369.50	£2,388.50
Oil (spot Arabian light)	$27.65	$27.55

TOKYO

Distinct change of mood

A MOOD of apprehension took hold of the Tokyo stock market yesterday as the yen slid further against the U.S. dollar, although medium and low-priced issues attracted selective buyers, *writes Shigeo Nishiwaki of Jiji Press.*

Biotechnology-related Takeda Chemical and Mitsubishi Chemical attracted buyers in the morning, but were sold later. Medium and low-priced shares, such as Nippon Kinzoken, Toho Rayon, and KDD, gained ground.

The Nikkei-Dow market average moved in a narrow range most of the day and closed at 12,025.71, a loss of 2.18 points. Trading was brisk at 417m shares, up from Tuesday's 389m. Falls outpaced advances by 380 to 336, with 179 issues unchanged.

Takeda Chemical, which posted a maximum daily gain in the previous session on the company's development of techniques to mass produce a monoclonal cancer antibody, topped the active list with 25.02m shares changing hands. Its price rose to Y950 at one point, but fell back to finish at Y905, a net loss of Y10.

Mitsubishi Chemical remained a favourite, ranking second in the active list with 19.17m shares, but lost Y12 to Y445 on profit-taking. Other similar issues fell in sympathy, with Yamanouchi Pharmaceutical shedding Y180 to Y4,920 and Mochida Pharmaceutical Y250 to Y13,450.

Third most active with 10.11m shares traded, Ube Industries was boosted by the expansion of its biotechnology research and development department. The stock added Y8 to Y234.

Showa Sangyo also benefited from its subsidiary's entry into the field of biotechnology, rising Y36 to Y315.

Nippon Kinsoku climbed Y44 to Y606 on a reappraisal of its amorphous metals. Increased production of carbon fibres pushed Toho Rayon up Y41 to Y605. Profit-taking sent KDD up Y1,750 to Y34,900.

Most blue-chips lost popularity in response to the yen's decline, with Matsushita Electric Industrial slipping Y20 to Y1,550.

The bond market fell further as some brokerage houses sold bonds in reaction to the yen's decline. But prices recouped most of their losses when the yen rebounded and financial institutions serving the agricultural and forestry sectors as well as some brokers started buying again. Large trust banks and city banks stayed on the sidelines.

The yield on the benchmark 7.3 per cent government bond due in December 1993 rose to 7.100 per cent at one point, but slipped back to close at 6.970 per cent.

HONG KONG

THE RELUCTANCE by investors to adopt new positions in Hong Kong ahead of the lunar new year holiday next week was reflected in a plunge of 20.90 in the Hang Seng index to 1,336.32 after an early morning fall of over 12 points.

Wheelock Marden gained 8 cents to HK$5.05 on speculative buying while Cross Harbour Tunnel finished unchanged at HK$9.95 despite the prospect of lower earnings for 1984.

SOUTH AFRICA

A STEADY bullion price and a stronger rand turned many Johannesburg gold shares narrowly mixed.

Buffels shed R1 to R82, while Driefontein was harder hit with a R3.25 fall to R45.50. Elsewhere Vaal Reefs was actively traded and finished R1.75 higher at R158.75.

In other mines, copper producer Palabora firmed 15 cents to R17.90 while De Beers edged 5 cents higher to R8.75.

Industrials were listless with Barlow Rand 5 cents off at R9.75.

EUROPE

Optimistic return of buyers

A MORE optimistic mood was apparent on European bourses yesterday as buyers returned after Tuesday's setbacks.

The recovery, however slight in some cases, was staged while the dollar continued to rise to new peaks against some European currencies. The higher overnight Wall Street close also contributed to a firmer tone.

Frankfurt advanced on a broad front with selected issues recording substantial gains. The Commerzbank index rose 4.4 to 1,156.9.

Bonds, however, remained nervous after the sharp falls of the previous session although fears of increases in the discount and/or Lombard rates appeared to have receded. The further rise of the dollar which later in the day broke through the DM 3.30 barrier continued to put pressure on the market.

Dresdner Bank's dividend rise from DM 6 to DM 7.50 and one-for-seven rights issue boosted bank issues, and the market as a whole. Dresdner itself rose DM 6.20 to DM 191.50, while Deutsche Bank went ahead DM 5 to DM 401 and Commerzbank DM 3.20 to DM 167.20.

Strong sales forecasts from Porsche on Tuesday and reports that Volkswagen's Brazilian unit returned to profit last year bolstered the car sector.

Porsche jumped DM 45 to DM 1,160, Volkswagen put on DM 3 to DM 192 and BMW rose DM 3.50 to DM 358.50.

Leading steels posted strong gains with Thyssen ahead DM 2.70 to DM 97 and Hoesch ahead DM 2.50 at DM 107.

In the engineering sector, Linde put on DM 11 to DM 417, while Siemens, which is reported to have won a large Chinese order, advanced DM 7 to DM 538.

Bonds closed mixed. The Bundesbank sold DM 79.4m of paper after buying DM 32.5m the previous day.

Amsterdam, helped by foreign demand, resumed its upward path, but the ANP-CBS index failed to return to the previous peaks it gained 0.7 to 198.8.

Although the market was buoyant there were increasing fears of a further rise in official interest rates as Dutch money market and Euroguilder rates soared to bring pressure on the central bank to take action. The central bank has been trying to avoid a rate increase.

The stock market was again led up by Royal Dutch which rose Fl 4.10 to Fl 200.10, a new high Nat-Ned, which announced a one-for-10 rights issue advanced Fl 8.20 to Fl 281.70.

Bonds recovered in early trading, and helped to buoy equities. The recovery, however, petered our later in the day as the dollar picked up from its short-lived decline. Prices of leading issues fell back sharply and continued to weaken.

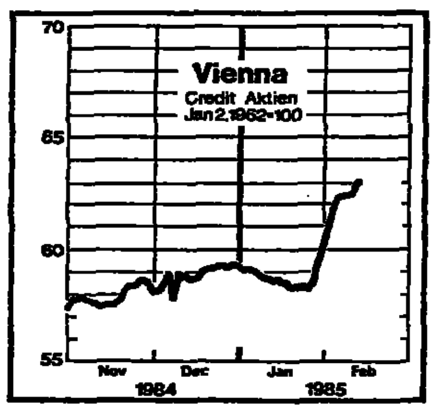
A fresh wave of buying fuelled an unexpectedly bullish trend ahead of the new trading month in **Milan**.

The advance in all sectors was made despite the weakness of the lira against the dollar. Investment funds and foreign investors were said to be continuing to buy shares.

Among the biggest increases were Generali which posted a L1,500 rise to L42,300, Italcementi L600 up at L80,900 and Toro Assicurazioni which traded L520 higher at L16,020. Olivetti put on L18 to L6,719.

The weakness of the franc attracted bargain hunters in **Paris** and, with a little help from institutional buying, prices were pushed higher.

There were signs of more optimism in **Brussels** where shares finished mixed to slightly higher as a reduction in the concern about the stability of the coalition Government and encouraging reports on the domestic economy aided sentiment.



Wall Street's improved performance helped to steady shares in **Zurich**. The bond market, however, closed lower as investors held back because of rising interest rates.

Vienna reached a new peak as major issues consolidated the gains made on Tuesday.

Interunfall hit a new high with a rise of 3 percentage points to 438 per cent of nominal value while Veitscher added 4 points to a record 316 per cent of nominal value.

In light trading **Madrid** continued to rise with advances in all sectors. Banco Americano Hispano was up 2 points at 167 per cent of nominal value and Telefonica, the telephone monopoly, advanced 1.5 points at 132.2 per cent.

Stockholm, however, recorded a general decline. Electrolux B shed SKr 2 to SKr 305 and Swedish Match SKr 6 to SKr 236.

LONDON

A tentative upturn after sharp fall

LEADING EQUITIES staged a tentative recovery in London yesterday after Tuesday's sharp setback. An early rally in the rate against the dollar was comforting and confidence increased soon afterwards on encouraging first-quarter profits from industry leader BOC, which traded 12p higher to 304p.

A few investment institutions inquired for stock, although little business was finalised, and blue-chip industrials seemed set to improve further. With the exception of Standard Telephones and Cables, which dipped below the proposed rights issue price of 190p, even leading electricals perked up. STC fell 12p to 188p.

The overall equity tone at midday was reassuring with the FT Ordinary index up 9 points. That proved to be the best level of the session as the dollar later went into its all too familiar overdrive and other leading currencies suffered. Sterling dropped back to near its previous record low and leading shares soon began to back-track. The market closed on an uncertain note but the index retained a gain of 7.8 at 977.9.

Gilt-edged interest was rekindled by the early stability of the pound but it faltered later. Demand was sufficient to raise both short and longer maturities ¼ or so before quotations began to fluctuate narrowly.

Chief price changes, Page 36; Details, Page 37; Share information service, Pages 38–39

SINGAPORE

A SUBDUED Singapore saw most investors take to the sidelines ahead of next week's holidays but the Straits Times industrial index nevertheless edged 2.30 higher to 808.19.

Pan Electric was one of the few bright spots in a dull day. It climbed 9 cents to S$2.89 in relatively heavy volume. The stock exchange announced that it had completed an investigation, begun in August, into dealings in the stock. Although the results of the investigation have not yet been released, market operators fel that no evidence of wrongdoing has been found.

Narrowly mixed banks saw DBS firm 5 cents to S$5.85, while UOB fell 6 cents to S$4.40.

Slightly mixed plantations saw Sime Darby rise 3 cents to S$1.93 in active trading, while property-related issues continued to show little direction. Singapore Land recovered 4 cents of its recent setbacks and finished at S$2.87, although Selangor dipped 2 cents to S$1.99.

Industrials were mixed with Straits Trading 4 cents higher at S$4.46 and Fraser & Neave 5 cents cheaper at S$5.10.

AUSTRALIA

RESOURCE ISSUES, encouraged by the higher world base metal prices, led a broad upturn in Sydney and boosted the All Ordinaries index by 6.2 to 773.9.

Metal and gold shares were buoyant throughout the session and saw Placer add A$1.20 to A$25.20, while Western Mining ended 11 cents dearer at A$3.25. Central Norseman gained 10 cents to A$5.50 and Peko-Wallsend picked up 7 cents to A$4.27.

BHP, however, shed 2 cents to A$5.20 and Bell Resources was 10 cents down at A$4.55.

The oil and gas sector found late buying support that pushed Santos 14 cents higher to A$5.54, although Bridge moved against the trend with its 6 cent setback to A$2.06.

High-technology issues were active with Vapocure 30 cents up at A$6.50, while Newtech fell 5 cents to A$2.90.

CANADA

DULL, featureless trading did not prevent most Toronto sectors moving higher with particular strength evinced in golds. Base metal miners proved substantially weaker while oil and gas issues edged lower.

Hiram Walker Resources traded C$⅝ higher to C$27¼. The company had earlier reported stronger first-quarter profits and gave a bullish forecast for the rest of the year.

Northern Telecom rose C$¼ to C$54¼ ahead of the planned introduction of a new generation of private branch exchanges today.

Isolated sectors managed modest gains in Montreal.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
30½	16⅛	AAR	.48	2.3	16	467	21⅛	21	21	+⅛
24⅜	9⅞	AGS			12	22	16	15⅞	16	+⅛
18¾	12⅞	AMCA	1	6.5		57	15⅜	14⅞	15⅜	+½
17⅞	13¼	AMF	.50	3.1	90	815	16¼	16⅛	16⅛	
39¾	24¼	AMR			9	6521	u39½	37⅞	38⅝	+⅞
AMR pf2.18 18 19⅝ 19⅞ 19⅞										
25⅞	22⅞	ANR	pf2.67	11.		2	25	25	25	
14¼	8½	APL			3	19	11½	11⅜	11⅜	−⅛
69¾	44¼	ASA	2	3.9		x570	51¼	50⅝	50⅞	+⅛
27	16	AVX	.32	1.3	14	407	23⅞	23⅛	23⅞	+1
48¼	36¼	AbtLab	1.20	2.5	14	3127	47⅝	46⅞	47⅝	+1½
25⅞	16½	AccoWd	s.44	1.8	20	76	25	25	25	−⅛
24⅛	12½	AcmeC	.40	2.2		387	18¾	18¼	18½	−⅛
11⅜	8¼	AcmeE	.32b	3.3	12	47	9⅝	9¼	9¾	
17⅜	15	AdaEx	2.11e	13		117	16⅞	16½	16⅞	+⅜
18½	11⅞	AdmMl	.32	1.7	8	x39	19¾	18⅞	19⅛	+⅞
19½	8⅝	AdvSys	.81t	6.4	21	116	12⅞	12⅜	12⅝	
41⅛	25⅛	AMD			15	6894	36	34⅜	35⅞	+¾
12¾	6⅞	Advest	.12	1.0		176	11¾	11⅜	11⅞	+¼
14⅝	8¼	Aerflex			14	159	14¼	13¾	14⅛	+⅛
42⅞	27¼	AetnLf	2.64	6.4	35	2974	41⅝	40⅝	41½	+⅞
58¼	52⅛	AetL	pf5.87e	11.		73	55½	55¼	55½	+¼
32⅛	15¾	Ahmns	1.20	4.1	17	532	29½	28¾	29⅜	+½
4⅞	2⅝	Aileen			30	41	3⅛	3	3	−⅛
50	36½	AirPrd	1.20	2.4	11	1382	49⅞	48⅝	49¼	+1
24¼	13	AirbFrt	.60	2.7	12	505	22¼	21½	22¼	+½
2	⅞	AlMoa			27	64	1⅞	1¼	1⅞	
32	26¼	AlaP	pfA3.92	12.		4	31¾	31½	31½	−½
7½	6	AlaP	dpf.87	12.		15	7⅛	7⅛	7⅛	−⅛
73	61½	AlaP	pf 9	12.		240	73	72	73	+¼

Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

[illegible]

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
6⅝	3⅞	Wurlitzr				66	4⅝	4⅝	4⅝	+⅛
18½	10⅞	WyleLb	.32	2.1	10	134	15¾	15⅛	15⅛	−⅛
21⅞	16½	Wynns	.60	2.8	8	68	21¼	21	21¼	+⅛
X–Y–Z										
45	33¾	Xerox	3	6.7	18	5246	u45½	43⅞	44⅝	+1⅞
51⅛	45¾	Xerox	pf5.45	11.		384	51⅛	51	51	
29	19	XTRA		2.3	10	x64	27¾	27⅛	27½	+⅜
29	24	ZaleCp	1.32	4.6	9	14	28¾	28⅝	28⅝	−⅛
24⅞	14½	Zapata	.84	5.0	20	637	16⅞	16⅝	16¾	−⅛
57⅞	30	Zayre	.40b	.7	15	950	55⅞	53¾	55½	+1¼
31¼	18⅞	ZenithE			8	792	24⅛	23⅝	24	+⅜
27⅛	18	Zero	.40	1.6	18	74	24¾	24½	24½	−¼
31⅜	21⅞	Zurnin	1.32	4.4	11	94	30	29⅝	30	+¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Feb. 13	Price Sch %	+ or —
Creditanstalt	230	......
Goesse	388	+1
Interunfall	438	+3
Laenderbank	228	+1
Perlmooser	338	......
Steyr-Daimler	157	......
Veitscher Mag.	316	+4

BELGIUM/LUXEMBOURG

Feb. 13	Price Frs.	+ or —
B.B.L.	1,750	—90
Banq. Int. A. Lux	5,660	+40
Bekaert B.	5,050	......
Ciment CBR	2,645	—15
Cockerill	263	+1
Delhaize	6,800	......
EBES	2,780	......
Electrobel	6,100	......
Fabrique Nat	2,080	—15
GB Inno BM	2,690	+35
GBL (Brux)	1,995	—5
Gevaert	3,700	+50
Hoboken	5,930	—10
Intercom	2,060	......
Kredietbank	7,760	+10
Pan Hldgs.	11,200	......
Petrofina	6,870	—70
Royale Belge	10,400	+50
Soc. Gen. Banq	3,240	+20
Soc. Gen. Belge	1,820	—5
Solina	7,300	—10
Solvay	4,010	+20
Stanwick Intl.	1,510	+10
Tractionel	3,900	—30
UCB	4,645	+45
Wagon Lits	2,355	—45

DENMARK

Feb. 13	Price Knr %	+ or —
Andelsbanken	287	—7
Baltic Skand	590	—5
CopHandelsbank	294	—5
D. Sukkerfab.	540	......
Danske Bank	289	—5
De Danske Luft.	1,210	......
East Asiatic	166	—10
Forenede Brygg.	810	......
Forenede Damp.	93	......
GNT Hldg	400	—3
I.S.S.B.	465	—7
Jyske Bank	525	—15
Novo Ind.	1,895	+10
Privatbanken	235	—7
Provinsbanken	282	—8
Smidth (F)	233	—1
Sophus Berend	920	......
Superfos	456	—3

FRANCE

Feb. 13	Price Frs.	+ or —
Emprunt 4½% 1973	1590	—11
Emprunt 7% 1973	7,458	+58
Accor	263.1	—0.2
Air Liquide	616	+5
BIC	570	+16
Bongrain	1,625	+24
Bouygues	750	+6
BSN Gervais	2,395	+5
CIT-Alcatel	1,256	—7
Carrefour	1,930	......
Club Mediter'n	1,220	—19
Cie Bancaire	611	......
Cofimeg	266	+0.2
Damart	2,300	......
Darty	1,165	......
Dumez S.A.	695	+15
Eaux (Cie Gen)	565	+4
Elf-Aquitane	237.6	+2.5
Essilor	2,910	—10
Gen. Occidentale	752	+4
Imetal	80.05	+0.05
Lafarge Coppee	410	—1.5
L'Oreal	2,290	+25
Legrand	2,068	+1.9
Maisons Phenix	192	+1.9
Matra S.A.	1,648	+20
Michelin B.	828	+6
Midi (Cie)	2 2[illegible]0	......
Moet-Hennessy	1 9[illegible]5	+45
Moulinex	102.5	......
Nord Est.	75.2	—0.8
Pernod Ricard	682	+4
Perrier	509	+6
Petroles Fra.	256	+3
Peugeot S.A.	288.5	+2.5
Printemp.Aus.	201.4	+1.4
Radiotech	250	+2
Redote	1,250	—10
Rousui-Uclaf	1,573	—1
Selimeg	623	+1
SkisRossagnol	2,040	—1
Telemech Elect.	2,360	+10
Thomson CSF	499	+15
Valeo	245.1	—2.9

GERMANY

Feb. 13	Price Dm.	+ or —
AEG-Telef.	111.2	+1.3
Allianz Vers	10,50xr	+5
BASF	184.3	+1.4
Bayer	193.5	+0.9
Bayer-Hypo	318	+2
Bayer-Verein	323	+2
BHF-Bank	279.5	+1.5
BMW	358.5	+3.5
Brown Boveri	190.5	+0.5
Commerzbank	167.2	+3.2
Cont'l. Gummi	118	+0.4
Daimler-Benz	628	+1.5
Degussa	360	—3
D'sche Babcock	170	+3
Deutsche Bank	401.5	+5
Dresdner Bank	191.5	+6.2
GHH	161	—2
Hochtief	468	—2
Hoechst	187	+1
Hoesch Werke	107	+2.5
Holzmann (P)	390	+10
Horten	[illegible]	+4
Hussel	[illegible]	+2
Karstadt	[illegible]	+4
Kaufhof	210	+4.5
KHD	256xr	+6
Kloeckner	77.8	+2.3
Linde	417	+11
Lufthansa	188	—1
MAN	156.9	+0.8
Mannesmann	153	+1.5
Mercedes Hld.	548	+3
Metallgesell	240	+1.5
Munech Rueck	1180	+10
Nixdorf	640	+7
Porsche	1,160	+45
Preussag	254	+1.6
Rhein West Elect	162	+0.5
Rosenthal	247	—3
Schering	473.5	+4.5
Siemens	538	—7
Thyssen	97	+2.7
Varta	178	+8
Veba	167	+1
V.E.W.	123.5	—0.2
Verein-West.	310	+1
Volkswagen	192	+3

ITALY

Feb. 13	Price Lira	+ or —
Banca Com'le	18,200	—300
Bastogi-IRBS	178.25	+0.25
Centrale	2,795	+20
Credito Varesino	4,300	—139
El-Invest	2,925	......
Fiat	2,535	+33
Finsider	56	......
Generali Assicur.	42,300	+1500
Italcementi	80,900	+600
La Rinascente	638	+13
Montedison	1,505	—1
Olivetti	6,719	+18
Pirelli Co.	4,510	+70
Pirelli Spa	2,315	+35
Snia BPD	2,801	+86
Toro Assic.	16,020	+520
do. Pref	11,549	+279

NETHERLANDS

Feb. 13	Price Fls	+ or —
ACF Holding	190	—0.5
AEGON	153	+8
Ahold	217.5	+4
AKZO	104.5	+1.5
ABN	391.5	+4.5
AMEV	215.5	+3.7
AMRO	73.7	+0.7
Bredero Cert.	159	......
Bos Kalis Westm.	14.4	+0.2
Buehrmann-Tet.	24.5	+0.5
Calland Hldgs.	34	+0.3
Dordtsche Pet'm	176	+2.5
Elsevier-NDU	111	—0.4
Fokker	94.5	+1
Gist Brocades	180	+4
Heineken	156.2	+1.2
Hoogovens	59.9	+0.9
Int Mueller	41.2	+0.5
KLM	51.2xc	+2.4
Naarden	47.6	—0.4
Nat Ned Cert	281.7	+8.2
Ned Mid Bank	183.5	+3.5
Nedlloyd	165.3	+3.9
Oce Grinten	304	......
Ommeren (Van)	27.9	+0.3
Pakhoed	66.1	—0.1
Philips	59.5	+0.8
Robeco	74.6	+0.2
Rodamco	137.2	+0.2
Rolinco	68.4	+0.3
Rorento	45.3	......
Royal Dutch	200.1	+4.1
Unilever	338.4	+1.4
VMF Stork	146	—2
VNU	209	+2
West Utr Bank	103.1	—0.4

NORWAY

Feb. 13	Price Kroner	+ or —
Bergens Bank	166	—0.5
Borregaard	400	—14
Christiania Bank	159	—1.5
DenNorske Cred	164	......
Elkem	146	—3.5
Kvaerner	186	—5.5
Norsk Data	427.5	—2.5
Norsk Hydro	108	—4
Storebrand	221	—6.5

SPAIN

Feb. 13	Price Pta %	+ or —
Bco Bilbao	320	......
Bco Central	320	......
Bco Exterior	202	+2
Bco Hispano	167	+2
Bco Popular	369	—7
Bco Santander	330	......
Dragados	177.5	+1
Hidrola	92.7	—1.3
Iberduero	102	—2
Petroleos	164.5	+1.5
Telefonica	132.2	+1.5

SWEDEN

Feb. 13	Price Kronor	+ or —
AGA	378	......
Alfa-Laval	196	—4
ASEA (Free)	357	+7
Astra (Free)	420	—6
Atlas Copco	113	—4
Cardo (Free)	267	—8
Cellulosa	126	—4
Electrolux B	305	—2
Ericsson	284	—6
Esselte	340	......
Mo Och Domsjo	245	—17
Pharmacia	211	—3
Saab Scania Free	450	......
Sandvik	390	—5
Skandia	295	—6
Skan Enski'da	55	+1
SKF	196	—1
St Kopparbergs	155	—4
Sven Handlesbn.	173	—3
Swedish Match	236	—6
Volvo B (Free)	280	—6

SWITZERLAND

Feb. 13	Price Frs.	+ or —
Alusuisse	855	+15
Bank Leu	3,675	—25
Brown Boveri	1,560	+15
Ciba Geigy	2,810	—5
do. (Part Certs)	2,230	—5
Credit Suisse	2,380	+5
Elektrowatt	2,700	+25
Fischer (Geo.)	727	+12
Hoff-RochePtCts	86,000	+125
Hoff-Roche 1/10	8,600	......
Jacobs Suchard	6,375	+60
Jelmoli	1,930	—10
Landis & Gyr	1,640	—10
Nestle	6,270	+10
Oer-Buehrle	1,485	+20
Pirelli	283	+2
Sandoz (Br)	7,950	—50
Sandoz (PtCts)	1,360	+20
Schindler (PtCts)	710	......
Sika	1,050	......
Surveillance	4,115	......
Swissair	1,095	+6
Swiss Bank	368	......
Swiss Reinsce	9,150	+200
Swiss Volksbk	1,500	+10
Union Bank	3,650	+10
Winterthur	3,650	—50
Zurich Ins	20,250	......

AUSTRALIA

Feb. 13	Price Aust $	+ or —
ANZ Group	4.65	......
Alliance Oil Dev.	1.05	......
Ampol Pet.	1.76	......
Ashton	0.81	+0.04
Aust Cons Ind.	1.93	+0.02
Aust. Guarantee	[illegible].62	—0.02
Aust. Nat. Inds	2.68	......
Aust. Paper	2.5	......
Bell Group	5.4	+0.1
Bell Res.	4.55	—0.1
Bond Corp Hldgs	1.25	......
Boral	3.35	+0.05
Bougainville	1.92	+0.02
Brambles Inds.	3.77	+0.07
Bridge Oil	2.06	—0.06
B.H. Prop.	5.2	—0.05
CRA	5.26	+0.08
CSR	2.77	+0.05
Carlton Utd	4.5	......
Castlemaine Tys.	4.8	+0.07
Coles (G.J.)	4.05	+0.05
Comalco "A"	2.41	+0.05
Consolidated Pet	0.47	......
Costain Aust	1.5	......
Dunlop Aust.	2.21	+0.03
Elders IXL	3.41	0.01
Energ Res.	1.43	+0.01
Gen Prop Trust	2.18	......
Hardie (James)	3.02	......
Hartogen Energy	2.4	+0.05
Herald W'yTimes	4.1	......
ICI Aust.	1.98	+0.01
Jimberlana F.P.	0.3	......
Kia Ora Gold	0.13	—0.01
Lend Lease	5.7	......
MIM	2.56	+0.04
Mayne Nickless	3.18	+0.01
Myer Emporium	1.93	+0.05
Nat. Aust. Bank	3.63	+0.03
News	12.6	+0.2
Nicholas Kiwi	1.85	......
North Bkn Hill	2.18	+0.02
Oakbridge	0.64	+0.01
Pancont'l	1.03	—0.05
Pioneer Conc.	1.65	+0.01
Poseidon	2.65	......
Queensland Coal	1.37	+0.1
Reckitt & Coln.	3.2	—0.02
Repco	1.18	+0.02
Santos	5.64	+0.14
Smith (Howard)	3.7	+0.05
Thos. Natwide	2.02	+0.04
Tooth	5.8	......
Vamgas	3.45	+0.05
Western Mining	3.25	+0.11
Westpac Bank	3.51	+0.11
Woodside Petrol.	0.84	......
Woolworths	3.36	+0.15
Wormald Intl.	3.4	—0.05

HONG KONG

Feb. 13	Price H.K.$	+ or —
Bank East Asia	24.4	......
Cheung Kong	13.3	—0.5
China Light	14.4	—0.3
Evergo	1.53	—0.02
Hang Seng Bank	45.75	—1
HK Electric	7.55	—0.15
HK Kowloon Wh.	6	—0.15
HK Land	4.3	—0.1
HK Shanghai Bk.	8.6	—0.15
HK Telephone	61	......
Hutchison Wpa.	20	—0.3
Jardine Mnth.	8.05	—0.15
New World Dev.	5.5	—0.05
Orient O'seas	2.6	......
Oseas Trust Bk.	2.52	......
SHK Props.	9	—0.2
Shell Elect.	1.95	......
Swire Pac A.	24.1	—0.7
TV—B	6.25	......
Wheel'k Mard A.	5.05	+0.08
Wheel'k M'time	1.1	......
World Int. Hldgs.	1.95	—0.01

JAPAN

Feb. 13	Price Yen	+ or —
Ajinomoto	1,110	......
Alps Electric	2,050	+30
Amada	1,140	......
Asahi Chem.	685	+7
Asahi Glass	864	+3
Bridgestone	520	—9
Canon	1,380	+10
Casio Comp.	1,770	—10
Chugai Pharm.	1,060	—10
Citizen	555	—5
Daiei	630	......
Dai Nippon Ptg.	945	+14
Daiwa House	541	+1
Ebara	344	+4
Eisai	1,780	+70
Fanuc	11,150	+80
Fuji Bank	1,330	+10
Fuji Film	1,700	+10
Fujisawa	1,070	—40
Fujitsu	1,330	......
Green Cross	1,770	—80
Hasegawa	360	—5
Heiwa Real Est.	598	—3
Hitachi	855	+4
Hitachi Credit	1,050	......
Honda	1,430	—10
House Food	680	......
Hoya	2,190	+60
Itoh (C)	329	......
Ito. Yokado	2,550	—10
Iwatsu	1,330	—10
JACCS	329	+2
JAL	5,100	—100
Jusco	735	+7
Kajima	259	—1
Kao Soap	820	—5
Kashiyama	603	+2
Kirin	595	+26
Kokuyo	915	......
Komatsu	450	......
Konishiroku	696	+2
Kubota	321	......
Kumagai	601	—9
Kyoto Ceramic	6,710	—70
Maeda Const.	460	—10
Makino Milling	1,290	—10
Makita	1,230	+10
Marubeni	305	+2
Marudai	547	—2
Marui	1,030	+35
MEI	1,550	—20
M'ta Elec Works	640	—1
M'bishi Bank	1,390	......
M'bishi	520	—1
M'bishi Elec	397	+2
M'bishi Estate	540	......
MHI	243	+3
Mitsui Co.	326	—8
Mitsui Estate	639	+5
Mitsukoshi	439	—1
NGK Insulators	939	+11
Nihon Cement	218	—2
Nippon Denso	1,350	......
Nippon Elect	1,160	—10
Nippon Express	329	+2
Nippon Gakki	2,100	—60
Nippon Kokan	134	......
Nippon Oil	819	—6
Nippon Seiko	625	+5
Nippon Shimpan	540	+3
Nippon Steel	147	+2
Nippon Suisan	332	—1
NTV	12,010	+10
Nippon Yusen	240	—5
Nissan Motor	605	+1
Nisshin Flour	484	—3
Nisshin Steel	157	—1
Nomura	895	+1
Olympus	1,280	+30
Orient Leasing	2,750	—110
Pioneer	2,990	—10
Renown	659	......
Ricoh	885	......
Sankyo	1,140	—40
Sanyo Elect.	469	—1
Sapporo	423	+3
Sekisui Prefab	555	......
Seven-Eleven	8,700	—150
Sharp	1,050	—10
Shimadzu	790	+2
Shionogi	725	—7
Shiseido	1,060	......
Sony	4,270	—20
Stanley	884	—1
S'tomo Bank	1,650	—10
S'tomo Elect	905	+2
S'tomo Marine	561	......
S'tomo Metal	145	......
Taihei Dengyo	465	......
Taisei Corp.	200	+2
Taisho Pharm.	1,080	—50
Takeda	905	—10
TDK	5,680	—30
Teijin	439	......
Teikoku	638	......
Tokyo Marine	700	—6
TBS	820	—5
Tokyo Elect Pwr	1,440	—30
Tokyo Gas	161	—2
Tokyo Sanyo	700	+6
Tokyo Style	730	—10
Tokyu Corp.	301	—11
Toppan Print	849	+1
Toray	436	—4
Toshiba Elect.	420	+5
TOTO	655	+16
Toyo Seikan	86	+5
Toyota Motor	1,290	—10
Victor	2,130	—20
Wacoal	716	......
Yamaha	750	+14
Yamanouchi	4,020	—180
Yamazaki	[illegible]20	......
Yasuda Fire	356	+2
Yokogawa Bdge.	427	+5

SINGAPORE

Feb. 12	Price $	+ or —
Boustead Hldgs.	1.68	......
Cold Storage	2.56	......
DBS	5.85xa	......
Genting	5.4	......
Haw Par. Bros.	2.25	—0.01
Hong Leong Fin.	3.28	+0.04
Inchcape Bhd.	2.57	—0.04
Keppel Shipyard	1.64	—0.01
Malay Banking	5.9	......
Malay Utd. Ind.	2.22	—0.01
Multi Purpose	0.96	+0.05
OCBC	9.25	......
OUB	3.96	......
Public Bank	1.65	—0.01
Sime Darby	1.93	+0.05
Singapore Press	6.5	......
Straits Trdg	4.46	—0.04
Tat Lee Bk.	2.75	—0.01
UOB	4.4	—0.06

SOUTH AFRICA

Feb. 13	Price Rand	+ or —
Abercom	1.28	—0.02
AE&CI	7.15	......
Allied Tech	46.5	......
Anglo Am Coal	44.75	+0.25
Anglo Am Corp	83	......
Anglo Am Gold	151	—1
Barclays Bank	15.5	—0.1
Barlow Rand	9.75	—0.05
Buffels	62	—1
CNA Gallo	2.2	+0.1
Curris Finance	3.35	......
De Beers	8.75	+0.05
Driefontein	45.5	—3.25
FS Geduld	40.75	+0.25
Gold Fields SA	25.25	—0.25
Highveld Steel	4	+0.05
Nedbank	9.7	—0.05
OK Bazaars	13.5	......
Protea Hldgs	1.35	+0.02
Rembrandt	30.5	......
Rust Plat	15.5	......
Safren	12	......
Sage Hldgs	6.65	......
SA Brews	6.05	+0.05
Smith (CG)	19	......
Tongaat Hulett	6.1	......
Unisec	4.65	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

Stock	Sales (Hlds)	High	Low	Last	Chng
[illegible]					

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Tr. 13pc 1990	£104	+¼
Ex 12pc '99-02	£104¼	+¼
Tr. 2½pc IL 2020	£94¼	+¾
Aitk. Hume Intl.	165	+18
Amstrad	74	+4
BOC	304	+12
Brook St. Bureau	118	+17
Cable & Wireless	510	+10
Crest Nicholson	92	+6
Crystalate	190	+10
Foster Bros.	188	+48
Hogg Robinson	260	+8
Lasmo	365	+13
Oliver Prospect	79	+5
Plessey	168	+8
Reed Executive	138	+13
Riley Leisure	63	+4
Southw. Res.	50	+7
TI	244	+8
Valor	198	+10
Wolstenh. Rink	278	+12

FALLS

Avana	600	—20
Falcon Resources	455	—10
Gr. Western Res.	275	—15
Lex Service	363	—17
Logica	275	—22
Pauls	350	—10
Savoy Hotel A	365	—15
STC	188	—12
Ward White	218	—7

Continued on Page 44

CANADA

TORONTO
Prices at 2.30pm February 13

Sales	Stock	High	Low	Close	Chng
[illegible]					

MONTREAL
Closing prices February 12

Sales	Stock	High	Low	Close	Chng
[illegible]					

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
[illegible]										

MARKET REPORT

Pound remains a worry but markets tentatively recover in light trade

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan 28	Feb 7	Feb 8	Feb 18
Feb 11	Feb 21	Feb 22	Mar 4
Feb 25	Mar 7	Mar 8	Mar 18

* "New-time" dealings may take place from 9.30 am two business days earlier.

Leading equities staged a tentative recovery in London yesterday after Tuesday's sharp setback. Turnover was light with traders tending to watch the screen and be guided by the trend of sterling in foreign exchange markets. An early rally in the rate against the dollar was comforting and confidence increased soon afterwards on encouraging first-quarter profits from industry leader BOC Group.

A few investment institutions enquired for stock, although little business was finalised, and blue chip industrials seemed set to improve further. With the exception of Standard Telephones and Cables, which received a damaging press and dipped below the proposed rights issue price of 190p, even leading Electricals perked up. Many high technology stocks dived, however.

The overall equity tone at midday was reassuring with the FT Ordinary share index up 9 points. That proved to be the best level of the session as the dollar later went into its all too familiar overdrive and other leading currencies suffered. Sterling dropped back to near its previous record low and leading shares soon began to backtrack. The result was that the market closed on an uncertain note; thanks to the combined strength of constituents BOC, Beecham and Plessey, the index retained a gain of 7.8 to 977.9.

Gilt-edged interest was rekindled by the early stability of the pound but it faltered later. Demand was sufficient to raise both short and longer maturities ¼ or so before quotations began to fluctuate narrowly. Final movements were limited to ¼ higher as the undertone became sensitive again in the late trade. Inflation worries produced hedging demand for index-linked Gilts many of which closed ¼ higher on the day.

Banks neglected

Trade in the clearing banks was at a fairly low ebb. Barclays, at 620p, after 625p, recovered a couple of pence of the recent sharp fall on South African worries, but Lloyds drifted down 8 to 590p and NatWest 4 to 678p. Elsewhere, Royal Bank of Scotland's new nil-paid shares retreated further to close 3 lower at 31p premium, which compares with Monday's opening level of 48p premium; the old shares hardened a penny to 243p. The possibility of dearer credit continued to unsettle Discount Houses. Cater Allen dropped 8 more to 480p and Union eased 5 to 690p. Gerrard and National softened 2 to 313p as did Smith St Aubyn, to 61p. Among dull merchant banks, Hambros, at 165p, and Kleinwort Benson, at 425p, lost 5 apiece.

Following business transacted late on Tuesday, Hogg Robinson opened higher at around 255p and continued to attract buyers, bringing a close of 8 up on balance at 260p. The trend elsewhere in Insurances was mixed with the volume of business small.

Among otherwise idle Breweries, Wolverhampton and Dudley rose 6 to 310p following a visit by brokers Grieveson Grant.

Leading Buildings traded quietly around overnight levels before settling a shade easier for choice. Barratt Developments, however, a dull counter on Tuesday on worries about the forthcoming interim results, moved off its 1984-85 low of 68p to close a couple of pence firmer at 70p. Blue Circle softened 2 to 497p, as did Rugby Portland Cement at 122p. Secondary issues provided the occasional noteworthy movement. Wiggins attracted a relatively lively business on speculation about a possible bid from Milbury and added 3 to 39p, after 40p; the latter, with annual figures scheduled for today, slipped to 88p prior to closing unchanged at 90p. British Dredging, in which a sizeable stake changed hands on Monday, hardened a penny to 67p.

ICI edged forward to 867p, but later drifted back to close just a couple of pence dearer on balance at 864p. Wolstenholme Rink rose 12 to 278p in belated response to the acquisition of a 49 per cent stake in Omnicrom System Corporation which has developed a process for colouring photostat copies.

Foster Bros. up on bid

Widespread speculation that Foster Brothers Clothing was ripe for a bid proved to be justified when Ward White launched a takeover attempt at the onset of business: Foster quickly spurted to 190p before settling at 186p — a gain of 48 on the session and around 4 above the share-exchange terms from Ward White, 7 lower at 218p.

Store leaders were quietly irregular. Debenhams remained lively, closing a couple of pence to the good at 221p, having dipped to 216p earlier; Habitat Mothercare eased 4 to 348p following Press reports that it had taken a stake in Debenhams.

The critical Press reception of STC's £168m fund-raising proposal induced renewed selling of the group's shares which, after Tuesday's decline of 34, fell 12 more to close at a 1984-85 low of 188p. Other leading Electricals, however, regained some composure. Plessey rallied 8 to 168p and GEC recovered 5 to 195p, while Cable and Wireless put on 10 at 510p. Racal hardened 4 to 194p and Thorn EMI improved a couple of pence to 440p. Secondary high technology stocks remained under pressure. Fresh double-figure falls were recorded with Logica notable for a fall of 22 at 275p and Micro Focus, 25 easier at 810p. CML Microsystems, 240p and Memec, 300p, dropped 10 apiece, while Microvitec eased 7 to 65p as did Oceonics to 120p and Stone International to 140p. AB Electronics gave up 12 to 400p and Electrocomponents declined 7 to 270p. Crystalate, on the other hand, rebounded 10 to 190p on revived speculative support and Amstrad moved up 4 to 74p.

Leaading Engineers trended higher. More newspaper comment on bid possibilities encouraged a rally in TI which closed 8 better at 244p while Hawker improved 6 to 433p helped by news of the £47.8m Indonesian contract for diesel-powered electricity generating sets. GKN, 194p, and Vickers, 234p, put on 3 apiece. Elsewhere, Westland took a turn for the better at 115p, up 4, following the chairman's statement at the annual meeting. Jones and Shipman were again supported at 66½p, up 3½, while Butterfield Harvey rose 1½ to 26½p in response to the agreed increase offer from Technology Incorporated.

Selected Foods made headway with Cadbury Schweppes 3 better at 167p in the wake of a fairly lively trade in the U.S. overnight. Rowntree Mackintosh firmed 5 to 363p, but Northern Foods again lacked support and shed 2 more to 220p. Avana came on offer following a broker's meeting and fell 20 to 600p. Bassett slipped 3 to 185p, but Pyke Holdings, a current bid favourite, hardened 2 to 312p.

Among Hotels, Grand Metropolitan closed 2 dearer at 295p, after 297p, but Savoy A fininshed 15 lower at 365p. Garfunkels Restaurants encountered scrappy selling and shed 6 to 216p.

BOC bought

Good first-quarter results from BOC Group, up 12 at 304p, after 307, gave a modest boost to miscellaneous industrial leaders, but failed to produce a great deal in the way of buying activity. Beecham came in for support and put on 9 to 362p, while revived demand left Pilkington Bros. 7 dearer at 312p, after 315p. Boots edged up 4 to 173p and Glaxo ¼ to £11¼, but Trafalgar House eased 6 to 370p. Hansen Trust were briskly traded before settling a couple of pence lower at 211p. Elsewhere, renewed buying on bid hopes prompted a further gain of 17 to 118p in Brook Street Bureau; Reed Executive advanced 13 to 138p in sympathy. Satisfactory preliminary figures left Crest Nicholson 6 higher at 92p, after 94p, but Paul eased 10 to 350p following rejection of Harrisons and Crosfield's bid. Profit-taking clipped 10 more from Pearsons, at 675p. A late flurry of activity awaiting the possibility of last minute bid moves from Dee Corporation left Booker McConnell 5 higher at 259p, after 250p at one stage. Dee Corporation eased a penny to 280p. Valor rose 10 to 198p amid talk of favourable impressions resulting from a broker's visit to the company, but Brammer ran back 10 to 318p after Tuesday's burst of speculative interest.

Riley Leisure attracted fresh speculative support and firmed 4 to 63p, while USM-quoted Sangers Photographic added 2 to 32p following a newsletter recommendation.

Attention in Motors switched to Distributors. Manor National hardened a fraction to 12½p on the news that the company is currently involved in bid negotiations with C. D. Bramall, 3 dearer at 130p; Manor National 10½ per cent preference advanced 18 to 90p, after 92p. Frank G. Gates, which recently had aborted takeover talks with Carroll Motor, gave up 3 more to 68p. Lex Service remained friendless, partly reflecting its interests in the currently depressed electronics sector, and closed 17 off for a two-day decline of 27 at 263p. Elsewhere, Jaguar dipped to 236p following "take profits" advice but later rallied to settle only 2 cheaper on balance at 340p. Further consideration of the Ford RS200 rally car assembly deal lifted Reliant 2 more to 48p.

Associated Newspapers, buoyant recently on asset value considerations, reacted to profit-taking and shed 25 to 790p; Daily Mail A closed ½ off at £12½.

Properties gave another lacklustre performance. Land Securities hardened a couple of pence to 300p and Hammerson A improved 10 to 505p. Elsewhere, Daejan firmed 5 to 325p in reply to good half-year figures, while United Real rallied 10 to 495p on second-thoughts about the interim statement. Bradford, a firm counter recently on hopes of an eventual merger with Warner Estate, slipped 5 to 380p. Dealings in the troubled Espley Trust were suspended, at 15p, at the company's request pending an announcement.

Allied Textile advanced 10 to 372p in response to a newsletter recommendation, while Tootal hardened a penny to 73p following publication of the formal offer document from Entrad.

Tobaccos were often a shade firmer. Imps rose to 216p before reverting to hte overnight 214p awaiting the interim results, due at 9.30 this morning.

Financials were highlighted by a flurry of speculative support for Aitken Hume, finally 18 higher at 165p, after 168p; Whittington International, currently in receipt of a bid from Aitken, hardened 2¼ to 28½p. Takeover chatter also surrounded Britannia Arrow, 4 up at 104p, after 105p, and Antofagasta, 15 dearer at a 1984-85 peak of 320p. In contrast, Tuesday's high-flier, M & G, encountered profit-taking in a narrow market and dipped 50 to 450p.

Oils gain ground

The continuing cold weather throughout Europe encouraged persistent support for the oil majors, which generally closed at around the day's best levels. LASMO were particularly in demand and settled 13 firmer at 365p, equalling the 1984-85 high, while BP put on 10 to a year's best of 565p and Shell a like amount to 765p. Britoil rose 4 to 210p.

Secondary issues were highlighted by Saxon Oil which advanced 25 to 425p on persistent speculative interest. Southwest Resources improved 7 to 50p following the EGM at which shareholders approved the rights issue dealings in the new nil-paid shares commence this morning.

Recent high-fiyers Falcon Resources and Great Western Resources gave ground on profit-taking, the latter closing 15 off at 275p and the former 10 easier at 455p. Ireland's Oliver Prospecting, hswever, revived and put on 5 to 79p.

Golds steady

Bullion's resilient performance in the face of renewed strength in the dollar and another good showing by base-metal prices underpinned mining markets.

South African Golds generally retained Tuesday's good gains and in one or two cases managed further small rises, helped by stock shortages. The Gold Mines index mirrored the overall picture in the sector, posting a 0.4 improvement at 490.1. Bullion closed a net 50 cents up at $303 an ounce.

Randfontein proved the best performer in the leading Golds, advancing around £2 to £[illegible] while the remaining issues showed rises of about ¼ across the board. Cheaper priced issues, however, were largely ignored.

South African Financials marked time along with Golds but UK-registered stocks were again highlighted by renewed support for Rio Tinto-Zinc which moved up 8 to 675p. Consolidated Gold Fields hardened a few pence to 495p; the company's interim results are scheduled for March 5.

Elsewhere, Ennex International jumped 6 to a 1984-85 high of 40p and East Rand Consolidated 3 to a year's best of 72p both following speculative interest.

In Diamonds De Beers settled 4 to the good at 434p; preliminary figures are expected on March 12.

Australians mirrored widespread gains in Sydney and Melbourne markets overnight. Western Mining added 4 more at 221p and CRA hardened a couple of pence to 360p. A number of the more speculative Golds attracted good support, notably Southern Resources, 7 up at 82p and Otter Exploration, which put on 3 to 30p.

On the day when the Stock Exchange council announced tentative proposals for an expansion in Traded Option capacity, possibly to include currency options, the market had a subdued session. Total contracts struck amounted to 7,790—barely half of Tuesday's total and well below last week's daily average of 9,100. Imperial Group remained active awaiting today's half-time figures and attracted 1,287 calls and 369 puts. Jaguar recorded 757 calls and 330 puts, while British Telecom attracted 756 calls and 299 puts.

FINANCIAL TIMES STOCK INDICES

	Feb. 13	Feb. 12	Feb. 11	Feb. 8	Feb. 7	Feb. 6	year ago
Government Secs	79.29	†79.23	79.36	80.04	80.24	79.62	82.77
Fixed Interest	83.38	83.42	83.50	84.04	83.86	83.61	86.90
Ordinary	977.9	970.1	991.1	988.5	989.2	983.3	816.6
Gold Mines	490.1	489.7	470.8	484.5	497.1	487.8	606.0
Ord. Div. Yield	4.39	4.42	4.34	4.36	4.36	4.37	4.61
Earnings, Yld.% (full)	10.96	11.04	10.85	10.89	10.89	10.92	9.42
P/E Ratio (net) (*)	10.96	10.88	11.09	11.04	11.05	11.00	12.99
Total bargains (Est.)	24,061	25,320	26,069	25,355	24,990	23,713	24,006
Equity turnover £m.	—	416.28	410.35	495.56	435.24	379.12	261.19
Equity bargains	—	22,187	25,784	26,704	22,669	21,388	18,824
Shares traded (ml)	—	216.1	206.2	277.4	218.8	182.3	172.5

10 am 970.1. 11 am 975.9. Noon 979.1. 1 pm 978.8. 2 pm 977.9. 3 pm 977.9.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=10.61.

† Corrected.

HIGHS AND LOWS

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Sec.	83.77 (3/1/84)	74.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1/85)	755.3 (23/7/84)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (9/3/84)	439.5 (25/1/85)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 12	Feb. 11
Daily Gilt Edged Bargains	146.0	145.5
Equities Bargains	143.8	154.1
Value	841.4	829.4
5day Average Gilt Edged Bargains	148.6	150.5
Equities Bargains	151.3	149.7
Value	865.7	849.0

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed Feb 13 1985 — Tues Feb 12 — Mon Feb 11 — Fri Feb 8 — Thur Feb 7 — Year ago (approx.)

Figures in parentheses show number of stocks per section

[illegible]

FIXED INTEREST

[illegible]

BRITISH GOVERNMENT INDEX—LINKED STOCKS

[illegible]

NEW HIGHS AND LOWS FOR 1984/5

NEW HIGHS (113)

BRITISH FUNDS (2)
AMERICANS (36)
CANADIANS (3)
BANKS (4)
BREWERS (1)
CHEMICALS (5)
STORES (4)
ELECTRICALS (1)
ENGINEERING (4)
FOODS (4)
INDUSTRIALS (12)
INSURANCE (4)
LEISURE (1)
NEWSPAPERS (1)
PAPER (2)
PROPERTY (1)
SHIPPING (1)
TEXTILES (1)
TRUSTS (25)
OILS (1)
MINES (2)

NEW LOWS (19)

AMERICANS (1)
Corporate Data Sci.
STORES (1)
Peters Stores
ELECTRICALS (8)
BSR Intl. Oxford Instruments
Feedback Philcom
Kode Intl. Pressac
Logica STC
INDUSTRIALS (2)
Hanover Invs. Nu-Swift
LEISURE (1)
Intervision Video
MOTORS (1)
Lex Service
PROPERTY (2)
Estates Prop. Inv. Stewart Nairn
SHIPPING (1)
Common Bros.
MINES (2)
Swan Resources Gopeng Berhad

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖‖ Allotment letters or fully paid. ‖‖ Introduction. ✤ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share. ‡ Comprising one 11 per cent Cnv.Uns.Ln. stk. and one Warrant. ● With Warrants attached.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 4	Feb 15	May 9	May 20
Feb 18	Mar 1	May 30	June 10
Mar 4	Mar 15	June 13	June 24

For rate indications see end of Share Information Service

Call options were arranged in Edmond Holdings, Nottingham Manufacturing, Exco International, Lex Services, Johnson Matthey, John Brown, Pritchard Services, Amstrad Consumer Electronics, Phicom, Barratt Developments, Logica, Racal, Quest Automation, Highland Electronics, Charterhouse Petroleum and Standard Telephones and Cables. A put was done in Dunlop, while a double was transacted in Barratt Developments.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
Brinitsh Funds	85	3	17
Corpns. Dom. and Foreign Bonds	9	21	44
Industrials	212	357	875
Financial and Props.	85	135	225
Oils	25	31	67
Plantations	4	5	8
Mines	61	22	95
Others	79	46	76
Totals	560	620	1,507

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BOC	304	+12
Booker McConnell	259	+ 5
Brook St. Bureau	118	+17
Cadbury Schweppes	167	+ 3
Crest Nicholson	92	+ 6
Crystalate	190	+10
Foster Bros.	186	+48
Imperial Group	214	—
Lasmo	365	+13
RTZ	675	+ 8
Valor	198	+10
Ward White	218	− 7

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
STC	33	200	−34
Jaguar	20	342	−15
ICI	19	862	− 1
TSL Th. Synd.	18	196	−14
Cbl. & W'less	17	500	−25
Debenhams	16	219	− 2
CASE	15	232	−18
Falcon Res.	15	465	−15
BP	14	555	− 3
RTZ	14	667	−18
Sangers 11pc†	14	8pm	—
Boots	13	169	− 4
Gt. Wstn. Res.	13	290	+ 5
Pilkngtn. Bros.	13	305	−10

† Nil paid.

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts Jly.	Puts Oct.
B.P. (*563)	420	150	—	—	2	—	—
	460	110	113	120	3	8	11
	500	70	78	85	7	18	23
	550	36	50	58	24	33	43
	600	16	27	33	63	68	78

[illegible]

Option		Calls Feb.	Calls May.	Calls Aug.	Puts Feb.	Puts May.	Puts Aug.
Imperial Gp. (*216)	160	56	56	63	1	3	4
	180	36	36	43	1½	5	7
	200	16	23	30	3	13	13
	220	4	12	20	12	23	26

[illegible]

Feb. 13 Total contracts, 7,790. Calls 5,460, Puts 2,330. * Underlying security price.

EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS: 24,595.

A=Ask B=Bid C=Call P=Put

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984-85 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102¼	99⅞	Exch. 12pc Cnv. '85	99⅞xd	+1/16	12.03	14.54
97¼	93	Treas 3pc 1985	97¼		3.08	13.28
102⅞	99¼	Treas 11½pc 1985	99¾	+1/16	11.58	13.08
99¼	96	Treas 8¾pcCnv '85	97xd	.....	8.95	12.99
104	99½	Exch. 12¾pc 1985	99	+1/16	12.29	12.56
103	99	Exch. 11¼pc '86	99xd	+1/16	11.84	12.51
102	96	Treas. 10pcCnv 1986	97	+1/16	10.28	12.52
93¾	88¾	Treas 3pc 1986	93¾	+⅛	3.22	8.88
102	96¼	Exch. 10½pc Cv '86	97¾	+1/16	10.75	12.45
104	99	Treas 12pc 1986	99½	.....	12.08	12.47
98¾	93½	Treas 8¼pc 1984-86‡‡	95¾	.....	8.89	11.98
108	102	Exch. 14pc 1986	102	+1/16	13.65	12.23
89	85	Exch. 2½pc 1986	88	+1/16	2.84	9.93
107	100	Exch. 13¼pc 1987	101⅞	+⅛	13.01	12.12
100⅞	94½	Treas 10¼pcCv '87	96xd	+1/16	10.59	12.10
87¼	83¼	Exch 2½pc 1987	86¼xd	+⅛	2.90	10.38
101	94½	Exch. 10½pc 1987	96	+1/16	10.84	12.14
92¼	87	Funding 6½pc '85-87‡‡	89¾	+⅛	7.25	11.90

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1984-85 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
64	43	Magnolia Group	46	.....	2.5	3.2	7.8	4.5
64	28	Maisonet Hldgs 10p	42	.....	—	—	—	—
275	157	Man. Ship Can. £1	275	.....	5.5	♦	2.9	♦
104	65	Marley	91	−1	†3.2	2.5	5.0	10.2
61½	40	Marling Ind. 10p	61	.....	†d3.0	5.6	3.0	7.2
46	29	Marshall L'ay. 'A'	40	.....	†1.2	3.6	4.3	(7.1)
77	37	Marshall's Universal	66	−1	H1.75	—	3.7	20.4
89	77	Do. 7¼pcCnRedPf £1	82	.....	7¼%	—	13.1	—
30	20	Martin-Black	22	.....	—	—	—	—
£108	£81	Mathesons 7¼%	£81	.....	Q7¼%	2.3	19.7	—
432	287	Metal Box £1	418	+6	†15.0	3.2	5.1	6.7
220	129	Metal Closures	157	.....	6.3	2.3	5.7	(8.7)
27	9	Metal Sciences 2½p	11	+1	—	—	—	—
133	80	Midland Marts	83	−2	4.0	1.8	6.9	10.5
84½	45	Mitchell Cotts	80½	−½	4.0	1.5	7.1	11.4
196	132	Morgan Crucible	195	.....	†7.5	1.2	5.5	(19.7)
36	23	Morris (W) F.A. 20p	23	.....	—	4.0	3.1	21.9
110	80	Moss (Robt.) 10p	99	.....	bg0.5	4.0	3.1	21.9
330	197	NMW Computers	275	.....	†12.5	2.3	3.6	14.3
65	38	Nash Inds.	40	.....	6.0	3.0	3.1	15.3
47	30	Neil & Spencer 10p	43	+1	2.5	1.5	8.9	9.2
33	13	Newman Industries	20	−2	—	—	—	18.5
31	16½	Do. 10pc Cn.Cav Pf.	21½	.....	—	—	—	(11.3)
67	39	Nolton	51	.....	10%	—	6.6	—
183	132	Norcros	162	.....	91.1	4.5	3.1	8.6
86	54	Nu-Swift 5p	54	−1	†7.5	2.4	6.6	8.5
100	50	Oakwood Grp.	87	.....	†2.4	3.2	6.3	7.8
190	135	Office & Elect.	150	.....	4.5	♦	7.4	♦

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

MINES—Continued

Finance

Australians

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

OPTIONS — 3-month call rates

"Recent Issues" and "Rights" Page 37

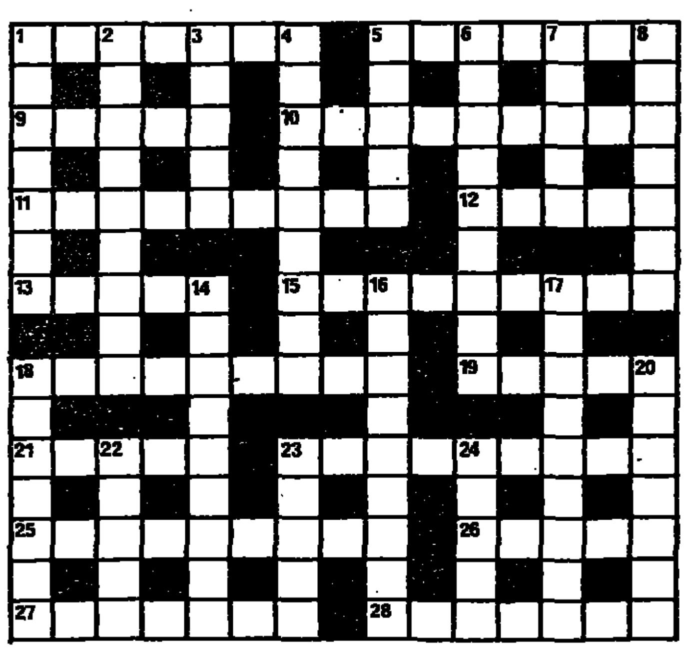
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,644



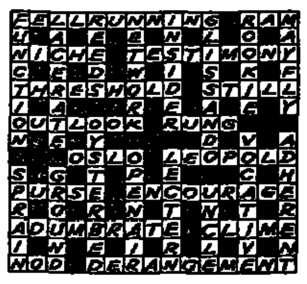
ACROSS

1 Ask about the goal (7)
5 Petrol round street? It's conforming to the law (7)
9 Tied when tired? (5)
10 I help to break up ground—hot, warmer ground (9)
11 Ex-president embraces writer—one who comes by plane? (9)
12 Drops catch? Needing hand-warmers (5)
13 Oval's excited, showing outburst (5)
15 Conductor went on bus by choice? (9)
18 Stopped, soft reed around air-hole (9)
19 Plants in the dry (5)
21 Fill glass to the little seal (3,2)
23 Sort of photography for an interval (4-5)
25 Throw it out but not the tot with it! (9)
26 Dance that's got an alternative (5)
27 Get bigger in general shake-up (7)
28 Treasurer could be watched. Flattering? (7)

DOWN

1 Edits revolutionary book (7)
2 Game, dance or music? (9)
3 Bond's selector (5)
4 Flower surrounding lively team, given to patient (9)
5 Part of a panel (5)
6 Ruined matches in charge, according to plan (9)
7 Batting side provides one scoring shot (2-3)
8 Ans.—seem in jumble, all together (2,5)
14 Subdue by force above capacity (9)
16 A well-rounded person (9)
17 Holding possession or time for which held (9)
18 River Board can be taken in (7)
20 Pass, in shaking dice? Not so hot (3-4)
22 Flowery carpet always contains it (5)
23 Sort of rent-charge. It's seen in article (5)
24 Language in relating mass? (5)

Solution to Puzzle No 5,643



INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management¶
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$21.55		—	−0.02	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	12.7	13.3	....	3.10
Chinese Fund	58.8	61.5	....	1.70
Precious Metal Fund	71.1	74.3	....	8.30
Vanguard Cmdy. Fd.	19.6	20.1	....	0.00
Financial Futures Fd.	32.5	33.8	....	—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Grwth Fd.	$8.96		—	−0.06	—

Money Market Trust Funds

	Nom	CAR	Int Cr	Notice
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	13.80	14.36	6-mth	Call
7-day Fnd	13.82	14.39	6-mth	7-day
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	13.80	14.27	6-mth	Call
7-day Fund	13.88	14.34	6-mth	7-day
Money Mngt. Acct.	13.62	14.33	3-mth	Call
Dollar	7.12	7.24	6-mth	2-day

Money Market Bank Accounts

	Nom	APR	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	13.75	14.48	Qtr	Call
Mth. Int. Chq.	13.50	14.37	Mth	Call
Bank of Scotland				
38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc.	13.20	14.03	Mth	Call
Barclays Prime Account				
PO Box 125, Northampton 0604 252891				
High Int. Cheque	12.75	13.37	Qtr	Call
Britannia Grp of Investment Companies				
29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	13.25	14.08	Mth	Call
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	13.25	14.085	Mth	Call
U.S. Dollar	7.50	7.763	Mth	Call
German Marks	5.0	5.116	Mth	Call
Swiss Francs	2.0	2.018	Mth	Call
Japanese Yen	5.0	5.116	Mth	Call
Co-operative Bank				
78-80 Cornhill EC3 01-626 6543 Ex 464				
Under £1,000	12.00	12.55	Qtr	Call
Over £1,000	14.00	14.75	Qtr	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc.	13.50	14.20	Qtr	Call
Henderson/Bank of Scotland				
38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	13.00	13.80	Mth	Call
Lombard North Central PLC				
17 Bruton St, W1A 3DH. 01-409 3434				
Notice Dep.	13.25	13.68	Basel	14-day
M & G/Kleinwort Benson				
91-99 New London Rd, Chelmsford. 0245 51651				
High Int Cheque Acc.	13.25	14.10	Daily	Call
Midland Bank plc				
PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq.	13.25	13.92	Qtr	Call
Provincial Trust (formerly Choulartons)				
30 Ashley Rd, Altrincham, Cheshire, WA1 2DW 061-928 9011				
Cheque Acc	14.00	14.93	Mth	Call
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB. 0708 66966				
High. Int. Bk. Acc.	13.10	14.00	Daily	Call
Premier Acc.	13.10	14.00	Daily	Call
Tyndall & Co				
29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc	13.66	14.37	Qtr	Call
Money Acc.	13.125	13.78	Qtr	Chq/7
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth 0705 827733				
Special Acc.	13.50	14.37	Mth	Call
Over £10,000	13.75	14.65	Mth	Call

Notes: CAR=compounded annual rate. Int Cr=frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

French brokers upset over plans for futures markets

BY DAVID MARSH IN PARIS

A DISPUTE has broken out in Paris over plans to widen France's futures markets. The French Commodity Brokers' Association complained yesterday about lack of consultation over a project to introduce *financial futures trading* at the end of this year.

M Michel Wiart, president of the association, said he was also concerned about uncontrolled opening of other commodity trading in France, for instance a mooted pork futures market in Nantes, which could, he *thought* be *financially* unsound.

Speaking at the association's annual journalists' lunch—at which a project was unveiled to bring in a new cocoa butter contract *in Paris—M Wiart issued* a rallying call to French futures markets specialists.

He said new markets, including financial futures, could be set up only with co-operation of all the operators concerned—banks, stockbrokers and commodity brokers. Otherwise, Paris risked losing more ground compared with the dominant futures markets in the U.S. and London.

The controversy over the financial futures plan has surfaced over studies by the French stockbrokers association, with Finance Ministry support, to introduce futures trading in bonds.

This is regarded as essential to allow operators to cover positions in the much-expanded bond market, where trading volume and new issues activity has soared over the past three years.

Concerning plans, supported by local producers, to open new agricultural futures markets in France—where eggs and chicken projects have been suggested as well as pork—M Wiart said financial logic dictated that they should be *set up in Paris.*

He underlined the efforts to establish a solid clearing system for the Paris coffee, white sugar and cocoa sectors over the *last few years. It was* impossible that new French markets should be set up in "any old town under any conditions" around the country, he said.

Last year the three main Paris sectors increased trading—in a generally difficult year for soft commodities—by 2 per cent. This was "relatively satisfactory" compared with falls of 19 per cent and 11 per cent respectively in trading in their counterparts in London and New York respectively.

The Paris soya bean sector, reopened in 1982, was again moribund last year—proof, said M Wiart, of what could happen in a market not supported by international operators.

The planned cocoa butter contract, which could come into operation at the beginning of 1986, was being studied partly because of demand from chocolate manufacturers. Trading would probably be in 10-tonne lots, with delivery in either solid or liquid form.

The brokers' association was considering allowing effective quotation in sterling for non-residents, similar to the price *conversion possibilities* from francs into dollars now allowed for non-resident traders in white sugar.

Studies are also being carried out over the possibility of conversion into dollars or sterling *for* the Paris robusta coffee contract.

Distillate fuel oil stocks fall in U.S.

By Nancy Dunne in in Washington

STOCKS OF U.S. distillate fuel oil fell almost 5m barrels at the end of last week after dropping only 1.5m barrels the week before, the American Petroleum Institute *said.*

Even so, distillate stocks, of almost 137m barrels, were far ahead of 1984 when the institute reported stocks at 118.3m barrels.

Crude oil stocks, on the other hand, lagged more than 16m behind 1984 at the end of the week, at 322.6m barrels. Stocks were down mor than 6m barrels below the week ending February 1 of this year.

Residual fuel oil stocks rose *at the end of last week to 47.8m* barrels from 47.6m in the previous week. Imports remained fairly steady at 2m barrels.

● SPAIN'S citrus losses from frosts in early January are estimated at 1m tonnes. 30 per cent of the total 1984-85 crop, the U.S. Agriculture Department officer in Madrid said in a field report.

● THE U.S. will give Pakistan an additional $5m grant for an agricultural research and technology management project under an agreement signed in Islamabad yesterday, the U.S. Embassy said. The grant brings to $10m the contribution of the U.S. Agency for International Development to the $30m project, which is designed to enhance the ability of Pakistan's agricultural research system to generate and disseminate high quality agricultural technologies

● LANDOWNERS have appealed to Mr Nigel Lawson, *the Chancellor, for exemption* from paying capital gains tax on the sale of farmland to allow them to pay off record bank borrowing more than £5.5bn. The Country Landowners' Association said: "The debt burden of British agriculture has risen to dramatic levels and many farmers are finding it more and more difficult to balance the books."

● SOVIET meat production from state and collective farms *in January rose to 1.675m* tonnes from 1.55m in January last year.

Kieran Cooke looks at problems facing timber exporters

Growing pains for Indonesian plywood

TEN YEARS ago, there were only two plywood mills in Indonesia, now there are 95 and, according to officials, the country has become the world's biggest plywood exporter, accounting for more than 65 per cent of the market.

The rapid expansion of the industry, however, has been carried out with little apparent reference to demand and many mills *are facing severe* problems with warehouses full of unsold plywood. Some mills have closed while many are working at only half capacity.

Some blame both the U.S. and Japan for the problems. There are allegations that buyers in the U.S., the main market for Indonesian plywood, have been trying to force down prices by running down their stocks. The U.S. has also been accused of imposing ever harsher health restrictions on the glue used in plywood manufacture.

Japan is accused of erecting trade barriers to protect its own indnstry. It recently lowered its import duty on Indonesian plywood from 19.3 to 17 per cent. This, say Indonesian officials, is still too high, and compares with a U.S. duty of only 15 per cent.

They also say that Japan has made a great deal of money out of selling plywood machinery to Indonesia. Mr Bob Hasan, chairman of the Indonesian Wood Panel Association (Apkindo) says Indonesia has imported more than US$1bn worth of machinery and equipment recently, while exports to Japan, a big plywood user, are describe as negligible.

In 1984 Japan imported 145,000 cu metres of Indonesian plywood, while Indonesia's total *production was just over 3m* cu metres.

Indonesia has also been concerned about the quota system enforced by the EEC. This, it says, especially restricts its exports to the UK, the European biggest buyer. Last year UK imports of Indonesian plywood, were worth more than £30m, about 17 per cent of total imports from Indonesia.

While Indonesia has been accusing buyers, other producers in Asia, particularly the Philippines and Malaysia, have accused Indonesia of flooding the market and failing to take steps to regulate the price.

In 1982, before Indonesia undertook its plywood expansion programme, the plywood price was about $320 a cubic metre. Now, with slight variations depending on quality, it hovers around $240.

The dramatic growth of Indonesia's plywood industry took place after the Government decreed in 1981 that theh export of whole logs would be phased out by the beginning of this year. Furthermore, only those who invested in such downstream activities as plywood mills would be allowed to continue exporting in the interim.

The result was that many mills were built so that companies could continue their *highly lucrative log export* business. There was little attention given to marketing or the actual export potential.

Indonesia now has an annual production capacity of nearly 6m cubic metres. Actual production is two-thirds of that.

There are signs, however, that the industry is becoming more organised. First, there is what many describe as a shakedown or natural thinning process with many of the smaller, less financially secure companies going out of business. "Survival of the fittest is the name of the game now," Mr Mulyo Rahardjo, manager of the Satya Djava Rava timber *group which* operates four mills producing an estimated 50,000 cu mtres of plywood a year, says.

It is felt that those companies with big timber concessions which can buy in their own logs and sell to other mills can withstand the *downturn* in market prices. The SDR group for example, has timber concessions of more than 2.5m hectares—an area about two thirds the size of the Netherlands.

Manufacturers are also taking steps on marketing, aimed at ensuring what they consider is a fair pricing structure. The government has recently encouraged the formation of a joint marketing body which will control exports supply, and ultimately it is hoped prices.

As Indonesia's second biggest non-oil and gas export after rubber, plywood is an important *part of the country's effort* to diversify its exports away from the oil and natural gas sector. Total plywood exports were worth $666m last year, up by more than 30 per cent over 1983.

There are also signs of a growth in market-demand. Exports to China in particular have increased dramatically. Last year China imported more than $150m worth of Indonesian plywood, making it the second largest importer after the U.S. Manufacturers hope that China's imports of Indonesian plywood could double in the next year.

One exporter said: "just imagine, all those table tennis bats—all made of Indonesian plywood."

Peruvian copper shipments cut

BY JOHN EDWARDS, COMMODITIES EDITOR

SOUTHERN PERU Copper Corporation announced in New York yesterday that its shipments of copper cathodes to contract customers would be *cut as a result of the strike* at the Ilo refinery that started on January 26.

The company said February cathodes deliveries would be delayed and half the quota for either March or April delivery would be cancelled. The Ilo refinery, owned by Mineroperu, processes blister bars for Southern Peru into cathodes. Mineroperu declared a limited force majeure last week because the Ilo refinery is still *working at 50 per cent of its* normal capacity.

The reduction in Peruvian deliveries has been expected by the market and, therefore, had little impact. However copper prices moved up strongly again yesterday to the highest level *for five years following* buying the Japanese and commission houses.

Higher grade cash copper closed £16.75 up at £1,303.75 a tonne making a cumulative gain of nearly *£60 this week alone.* Much of this increase reflects the decline in the value of sterling against the dollar.

Zinc and nickel prices also reached new highs, but aluminium showed signs of running out of steam.

Chase Econometrics in its February aluminium market monitoring service report suggested that a possible turning point had been reached. It noted that the fall in primary aluminium stocks in December was the first monthly decline since March 1984.

It said the impact of production cuts was being felt and bad weather was supplementing the voluntary decisions to reduce *output.*

● Most industrial metals will show modest price increases in 1985, according to a commodities study by Chemical Bank. The study also forecast a decline in energy prices, due primarily to weak demand growth and continuing oversupply problems. Agricultural commodity prices were expected to remain depressed,

China aims for $10m in Hong Kong mink auction

BY DAVID DODWELL IN HONG KONG

CHINA'S FIRST auction of mink pelts in Hong Kong, due to be held tomorrow, is expected to raise about U.S.$10m.

The sale marks the re-emergence of China as a large exporter of furs by auction. It expects to take part in several international auctions soon.

The auction, arranged by China's national native produce and animal by-products import and export corporation, will involve the sale of about 430,000 pelts. About 250 local and foreign companies are expected to attend the auction.

Hong Kong was chosen not just because it is conveniently close to mainland China, but because it is among the world's leading exporters of completed mink furs and other mink products. Exports of mink products in the first 11 months of 1984 amounted to $205m.

Chinese mink farmers have recently imported high quality mink from Denmark, the UK and elsewhere in Europe to improve local stock. They have also been sent abroad to study modern breeding and feeding practices.

China's only previous appearance at a large mink auction was in Copenhagen last March, where it sold 215,000 pelts. More mink will be auctioned at Danish auctions next month and in May.

Australia concludes wheat sale deal with Soviets

THE Australian Wheat Board has sold 950,000 tonnes of wheat to the Soviet Union and renewed its annual contract to supply Japan with about 900,000 tonnes of milling wheat.

The Soviet purchase, which is for prompt shipment, comprises 500,000 tonnes of milling wheat and 450,000 of feed wheat, the first sale of Australian feed wheat to the USSR, the board said.

The Japanese contract, which covers supply for this year, will be conducted through Japan's weekly grain import tenders, to which Australia has been a supplier for 25 years.

The sales are the second and third largest sales to be announced by the board during the 1984/85 marketing year, ending September. The biggest was a long term agreement signed with Egypt in October for the supply of 10m tonnes over five years, with 2m for shipment in 1985.

In Peking foreign agriculture attaches said China's wheat imports may stabilise this year after recent falls and its maize exports may increase.

In the long-term China could again become a sporadic heavy importer of wheat because of rising consumption. Much depends on the success or failure of new policies aimed at smoothing internal supply and demand, they said.

China has said it will abolish mandatory state quotas this year *and create a national market for* grain and other major crops.

Reuter

LONDON MARKETS

COCOA FUTURES continued their recovery from Monday's sharp decline with the May position ending £30 up on the day at £2,215.50 a tonne.

Dealers said sterling's weakness remained the main influence on the market, which was unaffected by news that the International Cocoa Organisation had rotated 1,060 tonnes of buffer stock cocoa. At 3,727 lots (10 tonnes each) futures market volume was well down from earlier in the week.

The sugar futures market did not react to the result of yesterday's weekly Brussels export tender at which 54,000 tonnes of whites were authorised for export. Prices ended barely changed on the day.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

METALS	Feb. 13 1985	+ or —	Month ago
Aluminium	£1100	....	£1100
Free Mkt	$1160/1180	—15	$1125/1165
Copper			
Cash h Grade	£1303.75	+16.75	£1215.5
3 mths	£1331.75	+15	£1125.25
Gold troy oz	$303	+0.5	$302.75
Lead Cash	£345.5	+3	£360.25
3 mths	£353.5	+4	£328.75
Nickel			
Free Mkt	228/258c	....	218/248c
Palladium oz	$128.50	....	$116.75
Platinum oz	$273.00	+0.25	$271.50
Quicksilver	$295/305	....	$295/305
Silver troy oz	570.40p	+2.65	535.85p
3 mths	589.00p	+2.80	551.80p
Tin cash	£9,995	—17.5	£9822.5
3 mths	£10,017.5	+15	£9812.5
Tungsten	$78.27	....	$81.75
Wolfram 22 04lb	$70/74	....	$64/68
Zinc	£780.5	+6.5	£713.5
3 mths	£779.25	+3.5	£706.75
Producers	$900	....	$900

	Feb. 13 1985	+ or —	Month ago
OILS			
Coconut (Phil)	$750u	—15	$885
Palm Malayan	$575x	....	$580
SEEDS			
Copra Phil	$480v	—20	$560
Soyabean (U.S.)	$242.5u	—5.65	$251.55
GRAINS			
Barley Fut. May	£115.45	—0.05	£114.35
Maize	£148.80	....	£148.58
Wheat Fut. May	£116.10	—0.10	£115.95
No. 2 Hard Wint.	‡	—	‡
OTHERS			
Cocoa Ft. May	£2215.5	+30	£2063.5
Coffee Ft. May	£2401	—1.5	£2395.5
Cotton A Index	69.45c	....	71.45c
Gas Oil March	$229.75	+1.25	$229.6
Rubber (kilo)	66p	....	64p
Sugar (raw)	$108u	—2	$115
Wooltops 64s	525pkilo	....	496pkilo

‡ Unquoted. w March. x April. u Feb-March. v March-April. † Per 76-lb flask. n Nominal. c Cents a pound.

INDICES

FINANCIAL TIMES

Feb. 12	Feb. 11	M'th ago	Year ago
298.24	296.79	294.60	290.96

(Base: July 1 1952 = 100)

REUTERS

Feb. 13	Feb. 12	M'th ago	Year ago
2024.0	2026.3	1965.2	1977.3

(Base: September 18 1931 = 100)

MOODY'S

Feb. 8	Feb. 11	M'th ago	Year ago
971.9	973.4	—	—

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Feb. 12	Feb. 11	Month ago	Year ago
Spot	121.09	121.32	—	—
Fut.	125.04	126.42	—	—

(Base: December 31 1974 = 100)

OIL

Demand for early March North Sea cargoes created a 50-60c premium over undated Brent cargoes. Nymex opened 3c down and traded around Tuesday's close until a late morning rally showed a gain of 22c by 1 pm EST. In the petroleum products market the differential between March and February gas oil decreased as less demand and increased supplies for late February led to a fall of $4. Heavy fuel firmed as the CEGB bought for March delivery after deciding earlier this week against increasing the coal burn at power stations—Petroleum Argus London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arab Light	27.60-27.70	+0.10
Arab Heavy	26.55-26.65	—
Dubai	27.15-27.25	—
Brent Blend	28.05-28.15	+0.05
W.T.I. (1pm est)	27.45-27.65	—0.20
Forcados (Nigeria)	28.25-28.45	+0.05
Urals (cif NWE)	—	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	238-240	+2
Gas Oil	248-250	—4
Heavy fuel oil	189-193	+0.5

Petroleum Argus Estimates

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Feb	244.60	+3.50	245.00-39.00
March	229.75	+1.25	229.75-26.00
April	219.50	—0.25	219.50-17.50
May	214.25	—1.75	215.25-15.00
June	210.25	—3.75	*213.00-10.00*
July	210.75	—3.25	—
Aug	213.00	—3.00	—

Turnover: 2,650 (3,128) lots of 100 tonnes.

GRAINS

Old crop wheat met further long liquidation to lose up to 55p before recovering on late profit-taking. Barley was dull, following a similar pattern.

U.S. MARKETS

HEATING OIL recovered strongly on concern about adequate deliverable supplies, repjorts Heinold Commodities. Precious metals firmed on short-covering and fresh buying interest motivated by technically orientated trading and on the discovery that further strength in the dollar was not accompanied by selling pressure. Copper firmed as reports from Peru indicated delays in March and April shipments. ...Cocoa ...moved moderately higher as light dealer buying and manufacturer pricing more than offset commission house liquidation and local selling. Coffee weakened on continued speculative liquidation as Brazil continued to offer coffee for export registration. Cotton was quiet and drifted lower as overseas offerings continued to undercut the U.S. price structure. Sugar continued under pressure as private production forecasts were revised upwards. Soyabeans rallied on strength in soya oil. Soya meal was weak and deterred soyabeans from further advances. Wheat finished sharply lower despite strong supporting fundamentals.

NEW YORK

OTHER MARKETS

MEAT

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 96.56p per kg lw (+1.36). GB—Sheep 177.34p per kg est dcw (+6.68). GB—Pigs 81.00p per kg lw (+4.56). GB—AAPP 103.15p per kg dw (−2.59).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 75.0 to 82.0, English hindquarters 57.0 to 62.0. Veal—Dutch hinds and ends 122.5 to 126.5. Lamb—English small 74.0 to *82.0, medium 86.0 to 76.0, heavy 52.0* to 66.0; Scotch medium 65.0 to 72.0, heavy 63.0 to 67.0; Imported: New Zealand PL (new season) 70.0 to 71.0, PL (old season) 67.5 to 68.5. Pork—English under 100 lb 49.0 to 61.5, 100-120 lb 52.0 to 56.5, 120-160 lb 41.0 to 46.0.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 100 tonnes. Spinners continued to trade in hand to mouth fashion, obtaining selected growths for winter and early spring shipments. The enquiry in evidence centred mainly on shipments offers of Middle Eastern and African growths.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. March 513, 516, 516-513; May 526, 527, 528; Aug 544, 547, 548-545; Oct 547, 550, 550-547; Dec 547, 550, 552-548; Jan 550, 551, 553-549; March 557, 560, 560-556; May 560, 563, 565-560; Aug 572, 573, 574-570. Sales: 153.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business). Australian cents per kg. March 583.0, 585.0, 585.0; *May 594.0, 596.0; untraded* July 598.0, 602.0, 600.0-599.5; Oct 589.0, 593.0, untraded; Dec 592.0, 596.0, untraded; March 595.0, 606.0, untraded; May 600.0, 610.0, untraded; July 609.0, 612.0, untraded. Sales: 9.

PARIS

SUGAR—(FFr per tonne): March 1340/1350, May 1386/1391, Aug 472/1478, Oct 1540/1550, Dec 1605/1625.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar shrugs off intervention

The dollar began nervously on fears of concerted central bank intervention, after reports the Bank of Japan had sold dollars in Tokyo accompanied by the Monetary Authority of Singapore. This was followed by suggestions the German Bundesbank was intervening and possibly the Bank of France. It all proved rather tenuous however, and when the Bundesbank sold only a token amount of dollars at the Frankfurt fixing the market recovered its composure and moved in to attack the DM 3.30 level again. There were no new factors, with the rise in January U.S. retail sales around the middle of most forecasts, and leaving little impression. Apart from the overhanging threat from the central banks, dealers see little reason why the dollar will not continue to advance, and with DM 3.30 soon breached in New York after the London close, the major hope of the central banks to stem the rise now seems based on market complacency.

The dollar rose to another 13-year peak of DM 3.2990 from DM 3.2950; a ten-year high of SwFr 2.81 from SwFr 2.8010; and a record FFr 10.0850 from FFr 10.0450, but slipped to Y262.75 from Y263.15.

On Bank of England figures the dollar's index rose to an all time high of 151.5 from 151.1.

STERLING — Trading range against the dollar in 1984-85 is 1.4940 to 1.0880. January average 1.1274. Exchange rate index fell 0.1 to 70.9, compared with 78.5 six months ago. It opened unchanged at 71.0 and touched a peak of 71.3 at 10 am, but then weakened sharply to 70.9 at noon, and closed at that level, after improving slightly during the afternoon.

Sterling finished unchanged against the dollar at $1.0880, but the London close proved to be something of a trough for the dollar, and soon after in New York the pound was back to $1.0860 where it had been for much of the afternoon. Sterling was at its strongest in the morning at $1.0950, helped by expectations that London interest rates will remain at the present high level for some time. But as the dollar advanced against all major currencies the pound fell back to a low of $1.0835. It was assisted by the strong dollar to close firmer against most currencies, other than the yen. Sterling rose to DM 3.59 from DM 3.5850; FFr 10.9725 from FFr 10.9225; and SwFr 3.0575 from SwFr 3.0475, but fell to Y285.75 from Y286.25.

D-MARK — Trading range against the dollar in 1984-85 is 3.2990 to 2.5535. January average 3.1696. Exchange rate index 119.0, against 123.2 six months ago.

The dollar rose to DM 3.2950 at the Frankfurt close from DM 3.2895 previously, after touching a peak of DM 3.2985. The continued advance of the U.S. currency against the D-mark stalled during the morning however, on rumours of possible intervention on the open market by the German Bundesbank. This could not be substantiated, and some dealers suggested the sudden weakness of the dollar was due to sales by the Bank of France or out of South Africa. After falling to a low of DM 3.27 the dollar quickly recovered, as fear of central bank intervention evaporated, and it became increasingly doubtful whether the Bundesbank had been in the market.

STERLING EXCHANGE RATE INDEX

(Bank of England)

	Feb 13	Previous
8.30 am	71.0	71.2
9.00 am	71.2	71.2
10.00 am	71.3	71.2
11.00 am	71.2	71.2
Noon	70.9	71.2
1.00 pm	71.0	71.1
2.00 pm	71.1	71.2
3.00 pm	71.0	71.1
4.00 pm	70.9	71.0

£ in New York

	February 13	Prev. close
£ Spot	$1.0871-1.0879	N/A
1 month	0.48-0.46pm	N/A
3 months	1.25-1.20pm	N/A
12 months	2.35-2.20pm	N/A

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu February 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	44.6379	−0.59	+0.22	±1.5522
Danish Krone	8.14104	7.95518	−2.28	−1.47	±1.6419
German D-Mark	2.24184	2.22494	−0.75	+0.06	±1.1475
French Franc	6.87456	6.79398	−1.17	−0.36	±1.3869
Dutch Guilder	2.52596	2.52068	−0.21	+0.60	±1.5171
Irish Punt	0.72569	0.714073	−1.60	−0.79	±1.6703
Italian Lira	1403.49	1369.59	−2.40	−2.29	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST POUND

Feb 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.0835-1.0950	1.0875-1.0885	0.50-0.46c pm	5.29	1.30-1.25pm	4.69
Canada	1.4550-1.4665	1.4550-1.4580	0.53-0.44c pm	4.00	1.31-1.18pm	3.42
Nethlnd.	4.04¼-4.08	4.06½-4.07½	2½-2⅜c pm	6.82	6¾-6½pm	6.39
Belgium	71.33-72.20	71.95-72.05	24-18c pm	3.50	59-51pm	3.06
Denmark	12.78½-12.95¼	12.84-12.85	6-5ore pm	5.14	11⅞-10½pm	3.50
Ireland	1.1486-1.1581	1.1515-1.1525	0.07p pm-0.11d	−0.21	0.04pm-.27d	−0.40
W. Ger.	3.57½-3.60¼	3.58½-3.59½	2½-2⅛p pm	7.73	6¾-6½pm	7.31
Portugal	195.84-200.20	196.55-198.95	180-520c dis	−21.18	480-1385d	−18.81
Spain	197¼-199¾	197¾-198	35-15c pm	1.52	60-30pm	0.91
Italy	2,198-2,213¾	2,207-2,208	2 lire pm-1 dis	−2.72	2-7dis	−0.81
Norway	10.27½-10.33	10.31½-10.32½	2½-1½ore pm	2.47	5¼-4¼pm	1.84
France	10.91¾-11.00	10.96¾-10.97¾	3⅝-2⅞c pm	3.55	8½-7½pm	2.87
Sweden	10.12¾-10.16½	10.14½-10.15½	¼ore pm-¼ dis	—	¾-1½dis	−0.44
Japan	285¼-287¼	285¼-286¼	1.81-1.69y pm	7.35	5.18-5.00pm	7.12
Austria	25.06-25.25	25.15-25.22	15-14⅞gro pm	7.12	44-41pm	6.75
Switz.	3.04½-3.06¼	3.05¼-3.06¼	2¼-1⅞c pm	8.09	6¼-5¾pm	7.77

Belgian rate is for convertible francs. Financial franc 72.35-72.45. Six-month forward dollar 1.92-1.85c pm, 12-month 2.45-2.35c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Feb 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.0835-1.0950	1.0875-1.0885	0.50-0.46c pm	5.29	1.30-1.25pm	4.69
Ireland†	0.9420-0.9480	0.9420-0.9430	0.45-0.40c pm	5.39	1.22-1.12pm	4.95
Canada	1.3387-1.3411	1.3405-1.3410	0.13-0.16c dis	−1.30	0.41-0.46dis	−1.30
Nethlnd.	3.7050-3.7460	3.7405-3.7415	0.44-0.41c pm	1.37	1.68-1.64pm	1.78
Belgium	66.10-66.65	66.10-66.20	12-13c dis	−2.27	34-36dis	−2.12
Denmark	11.70-11.82¼	11.80½-11.80¾	¼-¾ore dis	−0.51	3-3¼dis	−1.10
W. Ger.	3.2700-3.3050	3.2985-3.2995	0.70-0.65p pm	2.46	2.32-2.27pm	2.79
Portugal	180-183	181-183	250-650c dis	−26.45	850-1450d	−23.14
Spain	180.50-182.20	181.75-181.85	52-59c dis	−3.67	155-170dis	−3.58
Italy	2,014-2,031½	2,028½-2,029½	8¼-8¾ lire dis	−5.03	26¼-27dis	−5.28
Norway	9.42-9.48¼	9.48-9.48½	2½-3ore dis	−3.49	6¾-7¼dis	−2.96
France	10.02-10.09	10.08¼-10.08½	1.40-1.50c dis	−1.73	3.90-4.20dis	−1.61
Sweden	9.28-9.33¼	9.32¼-9.33¼	4-4½ore dis	−5.47	12-12½dis	−5.26
Japan	262.10-263.20	262.70-262.80	0.50-0.46y pm	2.19	1.73-1.68pm	2.60
Austria	23.05-23.22	23.13-23.15	3¾-3¼gro pm	1.82	14-12pm	2.25
Switz.	2.7850-2.8110	2.8095-2.8105	0.70-0.64c pm	2.87	2.38-2.32pm	3.36

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 66.50-66.60.

OTHER CURRENCIES

Feb. 13	£	$		£ Note Rates
Argentina Peso	258.12-258.59	237.14-237.34	Austria	25.15-25.40
Australia Dollar	1.4690-1.4710	1.3480-1.3500	Belgium	72.15-72.95
Brazil Cruzeiro	4,038-4,053	3,710-3,729	Denmark	12.81-12.94
Finland Markka	7.4565-7.4725	6.8540-6.8560	France	10.89-11.00
Greek Drachma	144.60-147.80	132.75-135.19	Germany	3.56-3.59
HongKong Dollar	8.4715-8.4815	7.7970-7.7990	Italy	2205-2230
Iran Rial	105.70*	95.10*	Japan	287-290
KuwaitDinar(KD)	0.3356-0.3366	0.30915-0.30930	Netherlands	4.04-4.08
Luxembourg Fr	71.95-72.05	66.10-66.20	Norway	10.28-10.38
Malaysia Dollar	2.7725-2.7775	2.5520-2.5560	Portugal	192-210
New Zealand Dlr.	2.4005-2.4065	2.2055-2.2075	Spain	195-205
Saudi Arab Riyal	3.8915-3.8965	3.5820-3.5850	Sweden	10.11-10.21
Singapore Dollar	2.5440-2.5490	2.2590-2.2620	Switzerland	3.04-3.07
Sth African Rand	2.0050-2.0175	1.8450-1.8520	United States	1.08-1.10
U.A.E. Dirham	3.9895-3.9945	3.6720-3.6730	Yugoslavia	285-330

* Selling rates.

CURRENCY MOVEMENTS

Feb. 13	Bank of England Index	Morgan Guaranty Change %
Sterling	70.9	−19.1
U.S. dollar	151.5	+36.2
Canadian dollar	91.2	−3.7
Austrian schilling	109.2	+3.5
Belgian franc	88.0	−10.6
Danish Kroner	75.6	−5.4
Deutsche mark	119.0	+5.8
Swiss franc	133.2	+5.6
Guilder	108.8	+2.3
French franc	63.1	−16.4
Lira	46.2	−14.1
Yen	159.1	+9.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 13	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.881965	0.620591
U.S. $	8	0.968195	0.675513
Canadian $	10.51	*	0.905728
Austria Sch.	4½	22.1605	15.6246
Belgian Fr.	11	63.4449	44.6379
Danish Kr.	7	11.2825	7.95518
Dmark	4½	3.15847	2.22494
Guilder	5½	3.5835	2.52068
French Fr.	9½	9.65524	6.79398
Lira	15½	N/A	1369.59
Yen	5	252.915	177.467
Norway Kr.	8	9.06712	6.38766
Span'h Pta.	½	174.273	122.892
Swedish K.	9	9.32741	6.29376
Swiss Fr	4	2.69016	1.89394
Greek Dr'ch	20½	N/A	90.4242
Irish Punt	12¾	1.01501	0.714073

* C$/SDR rate for Feb 12 not available

EXCHANGE CROSS RATES

Feb. 13	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.088	3.590	285.8	10.97	3.058	4.070	2208.	1.457	72.00
U.S. Dollar	0.919	1.	3.299	262.8	10.09	2.810	3.741	2029.	1.339	66.15
Deutschemark	0.279	0.303	1.	79.60	3.056	0.852	1.134	614.9	0.406	20.05
Japanese Yen 1,000	3.500	3.808	12.56	1000.	38.40	10.70	14.24	7725.	5.097	252.0
French Franc 10	0.911	0.992	3.272	260.4	10.	2.787	3.709	2012.	1.327	65.62
Swiss Franc	0.327	0.356	1.174	93.46	3.589	1.	1.331	722.0	0.476	23.55
Dutch Gilder	0.246	0.267	0.882	70.21	2.696	0.751	1.	542.4	0.358	17.69
Italian Lira 1000	0.453	0.493	1.626	129.4	4.971	1.385	1.844	1000.	0.660	32.62
Canadian Dollar	0.687	0.747	2.465	196.2	7.533	2.099	2.794	1515	1.	49.43
Belgian Franc 100	1.389	1.511	4.986	396.9	15.24	4.247	5.653	3066.	2.023	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 13	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	13⅞-14	8⅝-8¾	8¾-9⅛	7-7⅛	1⅝-1⅝	5⅜-5½	10⅛-10⅝	13-15	10-10½	10¼-10½	6⅛-6¼	8½-9
7 days' notice	13⅞-14⅛	8½-8⅝	9⅜-9⅝	7⅛-7¼	1⅛-1¼	5⅜-5¾	10⅛-10⅝	13⅝-14⅝	10¼-10¾	10½-10¾	6⅛-6¼	9-9½
Month	14¼-14⅜	8⅞-8⅞	9⅞-10⅛	7⅛-7¼	5⅞-5⅞	5⅞-6⅛	10½-10⅝	14-14½	10¼-10¾	10⅜-10⅞	6⅜-6⅜	9¾-10¼
Three months	14⅛-14¼	9⅛-9¼	10¼-10⅞	7¼-7⅜	5⅜-5¾	6⅛-6¼	10⅞-11	14⅜-14⅞	10½-11	10¾-11	6⅜-6½	10½-11
Six months	13⅞-13⅞	9½-9⅝	10⅝-11	7⅛-7⅞	5⅝-5⅞	6⅛-6⅜	11⅛-11⅜	14¾-15⅛	10¾-11¼	10⅞-11⅛	6⅜-6½	10⅝-11⅛
One year	12¾-12⅞	10⅛-10¼	11-11⅜	7⅞-7⅞	5⅞-6	6⅜-6¾	11⅞-11⅞	15⅛-15½	11⅛-11⅜	11-11¼	6⅞-6½	11-11⅛

Asian $ (closing rates in Singapore): Short-term 8¼-8½ per cent; seven days 8⁹⁄₁₆-8¹¹⁄₁₆ per cent; one month 8¾-8⅞ per cent; three month 9⅛-9¼ per cent; six months 9½-9⅝ per cent; one year 10⅛-10¼ per cent. Long-term Eurodollars: two years 10¾-11 per cent; three years 11-11¼ per cent; four years 11⅜-11⅝ per cent; five years 11⅝-11⅞ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen, others two dys' notice.

MONEY MARKETS

UK rates firm on weak pound

Interest rates were a little firmer in London yesterday but there was no immediate suggestion of higher clearing bank base rates. While sterling fell to record lows against the dollar, most other currencies suffered a similar fate. So for the time being the strain was reflected in a further rise in longer term rates, showing a further move into line with the current 14 per cent base rate level.

Three-month interbank money closed at 14⅛-14¼ per cent compared with 14-14⅛ per cent while the 12 month rate finished at 12⅝-12¾ per cent compared with 12⅝-12¾ per cent. Three-month eligible bank bills were bid at 13⅞-13¾ per cent compared with 13⅞ per cent. Overnight interbank money opened at 14-14½ per cent and eased to 13⅞-14 per cent before dipping to 12½ per cent around lunchtime. It touched a low of 9½ per cent before finishing at 11-12 per cent.

UK clearing banks base lending rate 14 per cent since January 28

The Bank of England forecast a shortage of around £450m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £215m and the unwinding of previous sale and repurchase agreements a further £445m. There was also a rise in the note circulation of £75m, partly offset by Exchequer transactions adding £270m.

The Bank gave assistance in the morning of £400m which comprised purchases of £137m of eligible bank bills in band 2 (15-33 days) at 13¾ per cent and in band 3 (34-63 days) £5m of Treasury bills and £143m of eligible bank bills all at 13⅝ per cent. In band 4 (64-91 days) it bought £124m of eligible bank bills at 13½ per cent. The forecast was later revised to a shortage of around £400m before taking into account the early help and the Bank gave no further assistance in the afternoon.

MONEY RATES

Feb. 13	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.9-5.9	10⅛	1⅝-1⅞	7-7⅛	6.15625	15⅞-16¼	8.40	14½-14¾
One month	5.50-5.65	10⅛-10⅜	5½-5⅞	6⅞-7	6.34375	15¾-16⅛	10⅝-10⅞	14½-15
Two months	5.95-6.10	10⅛-10⅜	—	—	—	—	—	14⅝-14⅞
Three months	6.10-6.25	10½-10⅝	5⅛-5¼	7⅛-7⅜	6.34375	15¾-16⅛	10¾-11	14½-14¾
Six months	6.5-6.5	10¾-10⅞	—	7⅛-7¼	—	—	10¾-11	14¼-14½
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	10½	—	5¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Feb. 12 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	9½-14¼	13⅞-14	13½-14¼	10-14	—	—	—	—	—
2 days notice	—	—	14-14⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14-14⅛	14-14⅛	14⅛-14⅛	13⅞-14	—	—	—	—	—
One month	14¼-14	14⅛-14⅛	14⅛	14⅛	13⅞	13¾	13¼	13⅞	13¾	14⅞
Two months	14¼-14	14⅛-14⅜	14⅛	14⅛	13-13½	13⅝	13⅜	13⅞	13⅞-13⅝	14⅞
Three months	13⅞-13⅝	14⅛-14¼	14	14⅛	13-13¼	13½	13¼	13⅞-13½	13⅞-13⅞	14⅛
Six months	13½-12⅞	13⅞-13½	13½	—	—	—	—	13½	12¼	13½
Nine months	12⅝-12⅜	12⅞-13⅛	—	—	—	—	—	—	—	—
One year	12⅝-12¼	12⅝-12⅞	12⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	14⅞-14½	—	14⅛	8.5-8.7	8⅛-8⅜	10⅛-10⅜
Two months	14¾-14⅜	—	14⅛	8.70-8.80	8⅝-8⅞	10⅛-10⅜
Three months	14¼-13⅞	—	14⅛	8.85-8.95	8⅜-8⅜	10⅛-10⅜
Six months	13¼-12⅞	—	13⅞	9.25-9.35	8⅞-9⅛	10⅛-10⅜
Nine months	13⅜-13	—	12¾	9.5-9.7	—	—
One year	13⅛-12⅞	—	12⅝	9.65-10.15	9⅛-9⅜	10½-10⅜
Two years	—	12⅝	—	—	—	—
Three years	—	13⅛	—	—	—	—
Four years	—	12	—	—	—	—
Five years	—	12	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period January 2 to February 1985 (inclusive): 11.840 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10½ per cent from February 1 1985. London and Scottish Clearing Bank Rates for lending 14 per cent. London Deposit Rates for sums at seven days' notice 11-11½ per cent. Treasury Bills: Average tender rates of discount 12.3781 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 13½ per cent; one-three months 13⅝ per cent; three-six months 12¾ per month 13½ per cent; six-nine months 12¾ per cent; nine-12 months 12 per cent. Under £100,000 11½ per cent from February 13. Deposits held under Series 5 12 per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9¾
Fed funds	8¹¹⁄₁₆
Fed funds at intervention	8¹¹⁄₁₆

Treasury Bills

One month	7.60
Two month	8.00
Three month	8.24
Six month	8.29
One year	8.48

Treasury Bonds

Two year	98¾
Three year	99⅞
Four year	99²¹⁄₃₂
Five year	100
Seven year	101¹¹⁄₃₂
10 year	98⅛
30 year	99²⁵⁄₃₂

FT LONDON INTERBANK FIXING

(11.00 a.m. February 13)

3 months U.S. dollars

bid 9 1/16	offer 9 3/16

6 months U.S. dollars

bid 9 1/2	offer 9 5/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

FINANCIAL FUTURES

Small rise

Sterling-based instruments finished slightly up on the day in the London International Financial Futures Exchange yesterday, despite a rise in cash rates and sterling's fall to record lows.

Prices opened firmer and attracted a good deal of short covering and although off the day's highs, values still showed gains over Tuesday's close. While sterling fell to a record low against the dollar, it was little changed overall. This certainly helped market sentiment. In the same way a rise in cash rates was more a reflection of a move upwards into line with the current 14 per cent clearing bank base rate rather than a fresh move towards higher base rates. While prices showed little overall change, the market was still watching the performance of sterling.

Euro-dollar prices traded within a narrow range during the morning, opening little changed from Tuesday. However, values were marked up during the afternoon before easing towards the close ahead of today's U.S. money supply figures. The March Euro-dollar contract opened unchanged at 90.58 and touched a high of 90.66 before finishing at 90.64.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
March	90.64	90.66	90.56	90.58
June	90.00	90.02	89.89	89.94
Sept	89.47	89.47	89.36	89.40
Dec	89.01	89.01	88.90	88.94
March	88.65	—	—	88.57

Estimated volume 5,559 (4,865)
Previous day's open int 14,147 (14,546)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
March	86.36	86.60	86.33	86.32
June	87.67	87.95	87.55	87.61
Sept	88.50	88.65	88.50	88.32
Dec	88.53	88.63	88.53	88.50
March	88.65	—	—	88.75

Estimated volume 2,506 (3,493)
Previous day's open int 6,485 (6,114)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
March	103-04	103-20	102-28	102-26
June	103-09	103-16	103-06	102-29
Sept	106-27	—	—	106-15
Dec	106-18	—	—	106-06
March	106-07	—	—	105-27

Estimated volume 3,198 (3,187)
Previous day's open int 5,379 (5,403)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract −8 to 2 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.0815	1.0915	1.0815	1.0815
June	1.0715	1.0780	1.0710	1.0740
Sept	1.0685	—	—	1.0690

Estimated volume 106 (749)
Previous day's open int 6,564 (6,736)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3032	0.3063	0.3032	0.3040
June	0.3055	0.3076	0.3055	—

Estimated volume 294 (18)
Previous day's open int 198 (198)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.3568	0.3589	0.3568	0.3576
June	0.3598	—	—	0.3608

Estimated volume 1 (20)
Previous day's open int 111 (111)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.3806	—	—	0.3806
June	0.3835	—	—	0.3833

Estimated volume nil (nil)
Previous day's open int 114 (114)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
March	127.70	128.20	126.65	126.40
June	127.95	—	—	126.70
Sept	128.30	—	—	127.05

Estimated volume 458 (458)
Previous day's open int 1,311 (1,311)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	71-27	72-02	71-20	71-24
June	70-27	—	—	70-23

Estimated volume 1,445 (742)
Previous day's open int 2,521 (2,599)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	71-25	72-03	71-21	71-26
June	70-24	71-03	70-20	70-25
Sept	69-31	70-09	69-28	70-00
Dec	69-11	69-20	69-09	69-12
March	68-25	69-00	68-23	68-26
June	68-10	68-17	68-10	68-11
Sept	67-29	68-04	67-29	67-30
Dec	67-18	67-18	67-18	67-19
March	—	—	—	67-09
June	66-31	66-31	66-31	67-00

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	91.67	91.71	91.65	91.68
June	91.22	91.26	91.18	91.22
Sept	90.73	90.77	90.70	90.71
Dec	90.33	90.35	90.33	90.31
March	89.98	89.99	89.98	89.95
June	89.69	89.69	—	89.66
Sept	89.44	89.44	—	89.42
Dec	89.21	89.21	—	89.19

CERT DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	90.95	91.00	90.93	90.97
June	90.33	90.38	90.30	90.32
Sept	89.81	89.84	89.78	89.80
Dec	89.34	89.34	89.30	89.33

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	90.60	90.65	90.55	90.61
June	89.97	90.02	89.92	89.96
Sept	89.43	89.46	89.39	89.41
Dec	88.98	88.98	88.92	88.94
March	88.60	88.60	88.56	88.56
June	88.27	88.27	88.22	88.24
Sept	87.96	87.96	—	87.96

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.0815	1.0860	1.0810	1.0830
June	1.0705	1.0755	1.0705	1.0730
Sept	1.0690	1.0730	1.0690	1.0685
Dec	1.0675	1.0710	1.0675	1.0655

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-23	69-28	69-19	69-23
June	69-03	69-08	69-00	69-02
Sept	—	—	—	68-14
Dec	—	—	—	67-28
March	—	—	—	—
June	66-30	66-30	66-30	66-29
Sept	66-16	66-16	66-16	66-16

BALANCE SHEET AS AT 30TH ZUL HIJJAH, 1404H. (25TH SEPTEMBER, 1984)

1403H S.R.	CAPITAL & LIABILITIES	S.R.	S.R.
30,225,133	CAPITAL		30,225,133
	RESERVES		
32,774,867	Statutory Reserve	32,774,867	
2,659,027,254	Other Revenue Reserves	3,059,027,254	
46,095,605	Surplus on Revaluation of Properties	46,095,605	
31,877,141	Surplus on Revaluation of Investments	31,877,141	
2,769,774,867			3,169,774,867
2,800,000,000	Total Capital and Reserves		3,200,000,000
	DEPOSITS		
37,859,397,240	1. Customers' Deposits (Note: Cover total current, time and saving deposits)	44,833,669,152	
	2. Deposits from Banks		
1,289,846,904	a) In Saudi Arabia	1,313,078,774	
2,803,816,850	b) Abroad	3,997,710,461	
[illegible]	3. Sundry Deposits: (Note: Include margins for …) [illegible]	[illegible]	[illegible]
[illegible]	BORROWINGS [illegible]	[illegible]	[illegible]
[illegible]	PROFIT & LOSS ACCOUNT [illegible]	[illegible]	[illegible]
[illegible]	OTHER LIABILITIES [illegible]	[illegible]	[illegible]
[illegible]	CONTRA ACCOUNTS [illegible]	[illegible]	[illegible]
[illegible]	Grand Total	[illegible]	[illegible]

1403H S.R.	PROPERTY & ASSETS	S.R.	S.R.
	CASH FUNDS		
2,503,956,386	1. Cash in hand	2,520,892,994	
1,679,472,654	2. Statutory deposits with Saudi Arabian Monetary Agency	1,757,096,616	
2,850,195,674	3. Other deposits with Saudi Arabian Monetary Agency	2,091,740,435	
7,033,624,714			6,369,730,045
	DEPOSITS WITH BANKS		
107,927,949	1. In Saudi Arabia	397,331,829	
18,410,475,742	2. Abroad	25,293,258,011	
18,518,403,691			25,690,589,840
	INVESTMENTS: (Not exceeding lowest of cost or market value)		
	1. Shares and securities of establishments:		
380,243,890	a) In Saudi Arabia	402,337,815	
1,112,669,717	b) Abroad	[illegible]	
[illegible]	LOANS AND ADVANCES [illegible]	[illegible]	[illegible]
[illegible]	FIXED ASSETS [illegible]	[illegible]	[illegible]
[illegible]	OTHER ASSETS [illegible]	[illegible]	[illegible]
[illegible]	CONTRA ACCOUNTS [illegible]	[illegible]	[illegible]
[illegible]	Grand Total	[illegible]	[illegible]

AUDITORS' REPORT

[illegible]

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH ZUL HIJJAH, 1404H. (25TH SEPTEMBER, 1984)

1403H S.R.	EXPENSES	S.R.	S.R.
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	NET PROFIT FOR THE YEAR [illegible]	[illegible]	[illegible]

1403H S.R.	INCOME	S.R.	S.R.
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	TOTAL INCOME	[illegible]	[illegible]

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for February 13.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 12⅝ 88	150	103⅛	103⅝	0	−0⅝	11.49
Austria Rep 13⅝ 92	100	109⅞	110⅜	0	−0½	11.49
Bank Of Tokyo 12⅝ 92	100	100⅞	101⅜	+0⅛	+0⅛	12.37
Bank of Tokyo 13⅝ 91	100	107⅛	107⅝	−0⅛	−0⅝	11.84
Caisse Nat Tele 13¾ 91	100	107⅛	107⅝	−0½	−1	11.95
Canadian Pac 12½ 99	75	101⅞	102⅜	−0⅛	−0⅝	12.16
CBS Inc 11⅝ 92	100	99	99½	−0⅛	−0½	11.51
Chevron U.S.A. 12⅛ 89	600	101¾	102¼	−0⅛	−0½	11.83
Creditanstalt 13⅛ 91	100	104⅛	104⅝	−1⅛	−1⅛	12.03
Denmark Kingdom 13 91	100	103¾	104¼	−0⅝	−0⅞	12.02
Denmark Kingdom 13⅛ 91	100	†104½	105	−1⅞	−1⅞	12.13
[illegible]						

	Issued	Bid	Offer	Change on day	Change on week	Yield
Weyerhaeuser 12⅝ 87	150	101¾	102¼	0	0	11.28
World Bank 12⅛ 94	150	102⅜	102⅞	0	−0⅛	11.76
World Bank 12⅝ 94	200	105¼	105¾	−0⅛	−0⅛	11.85

Average price change On day −0⅛ on week −0⅝

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amca Int'l 8⅛ 91	100	101⅞	102⅜	+0⅛	−0⅝	7.85
Asian Dev Bank 8 94	200	†99¼	100¼	+1⅛	−1	8.03
Austria Republic 7⅝ 94	200	98⅜	98⅞	+0⅛	−1⅛	7.86
Baxter Travenol 7⅛ 94	200	97⅛	97⅝	−0⅝	−2⅛	7.64
Credit National 8⅛ 94	200	100⅞	101½	0	−0⅝	7.95
Degussa Int Fin 7½ 94	100	98¾	99½	+0⅝	−1⅛	7.64
[illegible]						

OVER-THE-COUNTER

Continued on Page 36

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

Indices

NEW YORK—DOW JONES

[illegible]						

STANDARD AND POORS

[illegible]						

N.Y.S.E. ALL COMMON

[illegible]						

New York Active Stocks

[illegible]						

TORONTO

[illegible]						

	Feb. 13	Feb. 12	Feb. 11	Feb. 8	1984-85 High	1984-85 Low
AUSTRALIA						
All ord. (1/1/80)	775.9	767.7	765.6	772.6	787.9 (3/1/84)	546.5 (18/6)
Metals & Minls. (1/1/80)	445.5	455.7	451.6	459.6	567.4 (5/1/84)	393.6 (7/1/85)
AUSTRIA						
Credit Aktien (2/1/62)	65.08	62.98	62.56	62.50	62.98 (12/2/85)	53.20 (15/8)
BELGIUM						
Brussels SE (1/1/80)	2150.55	2148.84	2156.7	2157.4	2174.4	2090.7
DENMARK						
Copehagen SE (3/1/83)	175.96	174.96	174.26	175.11	225.21 (20/1/84)	158.44 (8/1/85)
FRANCE						
CAC General (31/12/82)	198.9	197.9	199.2	199.90	199.2 (11/2/85)	155.6 (5/1/84)
Ind Tendance (28/12/84)	108.5	107.7	108.4	108.80	108.8 (8/2/85)	100.0 (28/12/84)
GERMANY						
FAZ Aktien (31/12/58)	397.15	396.08	398.2	400.8	402.75 (18/1/85)	317.17 (25/7)
Commerzbank (1/12/53)	1156.9	1152.5	1161.4	1162.6	1171.1 (22/1/85)	917.7 (25/7)
HONG KONG						
Hang Seng Bank (31/7/64)	1555.32	1557.22	1557.94	1547.88	1588.42 (17/1/85)	746.02 (13/7)
ITALY						
Banca Comm Ital. (1972)	275.85	272.24	273.69	271.52	275.08 (13/2/85)	182.06 (2/1/84)
JAPAN**						
Nikkei-Dow (16/5/49)	12025.7	12027.89	(c)	12008.8	12027 (11/2/85)	9703.35 (25/7)
Tokyo SE New (4/1/68)	942.12	924.54	(c)	924.45	935.77 (16/1/85)	730.46 (4/1/84)
NETHERLANDS						
ANP-CBS General (1970)	196.8	198.7	200.4	199.6	200.4 (11/2/85)	146.8 (25/7)
ANP-CBS Indust (1970)	157.4	156.7	156.5	158.5	158.5 (8/2/85)	118.7 (18/6)
NORWAY						
Oslo SE (4/1/83)	325.6	335.2	346.43	345.60	345.6 (8/2/85)	221.07 (4/1/84)
SINGAPORE						
Straits Times (1966)	805.74	805.51	806.94	817.51	1071.9 (8/2)	764.4 (16/1/85)
SOUTH AFRICA						
Gold (1958)	(u)	858	848.4	—	1089.0 (19/11)	759.1 (24/1/84)
Industrial (1958)	(u)	856.7	861.6	—	1106.5 (28/3)	855.5 (19/9)
SPAIN						
Madrid SE (28/12/84)	114.9	114.22	115.47	112.0	117.41 (4/2/85)	100.00 28/12/84
SWEDEN						
Jacobson & P (11/58)	1452.5	1467.65	1486.98	1484.5	1594.5 (5/2)	1502.99 (22/11)
SWITZERLAND						
Swiss BankCpn. (31/12/58)	413.3	412.5	417.2	418.5	418.5 (8/2/85)	354.5 (25/7)
WORLD						
Capital Intl. (1/1/70)	—	194.4	195.5	197.1	197.1 (1/2/85)	185.2 (14/12)

* Saturday February 2: Japan Nikkei-Dow 11,889.6. TSE 823.85.
Base value of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83 † Excluding bonds. ‡ 400 industrials. § 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

CAPITAL MARKETS

New D-Mark foreign bond issues halted for three weeks

BY MAGGIE URRY IN LONDON

FOR THE first time since the early 1980s the West German capital markets sub-committee decided at its meeting yesterday not to allow any new issues in the D-Mark foreign bond market for three weeks. The committee will meet again on March 6.

Deutsche Bank also postponed the DM 250m issue for the Inter-American Development Bank which had been on the calendar to be launched yesterday.

The continued strength of the dollar has deterred investors from buying D-Mark bonds and recent new issues have been suffering. It is hoped that a break from issues will allow the market to recover some of its poise, although bankers doubt that anything short of a reverse in the currency trend will successfully solve the market's problems.

The market improved yesterday after the committee's announcement, with newer issues gaining ¼ to ½ point and the secondary market ⅛ to ¼ point better. Sweden's recent 7¼ per cent 10 year issue added ½ point but is still trading around 95½ against the par issue price.

Syndicate managers in the Eurodollar bond market sometimes wish there was a queuing system there too. The fixed rate market is still depressed by the weight of unplaced paper. Only one straight issue appeared yesterday, and that from a Japanese borrower — Mitsui Real Estate — so there is some chance that the bonds can be sold in the Far East.

The deal, led by Nomura International, raises $50m for seven years paying a 10⅝ per cent coupon. Fees total 1⅞ per cent, and issue price is par.

Eurodollar fixed rate issues were edging lower again yesterday afternoon. The floating-rate note market is still able to absorb new issues though. The expected three-tranche issue for Thailand and two of its agencies appeared. It raises a total of $400m.

Manufacturers Hanover led two of the tranches — the Kingdom of Thailand's $60m and the petroleum authority, PTT's $145m issues. Morgan Guaranty led the $195m portion for the Electricity Generating Authority. All three have a 20 year life with put options after 10, 12 and 15 years at par. The interest rate will be ⅛ per cent over the six month London interbank offered rate for Eurodollar deposits.

Fees on the $60m issue amount to 25 basis points, while there are 30 basis points up front on the two other issues.

All three were bid at levels at which co-managers own the bonds, yesterday, the Thailand at 99.80, and the others at 99.75.

Some confusion was created in the market by the structure of the issue and the split lead management, but Thailand is not expected to come to the dollar market again this year and demand is likely to be good from Japanese banks.

The other major banks involved are Chase Manhattan, Lloyds Bank International, LTCB, and Orion Royal Bank.

Bank of America was able to increase the FRN issue for its parent by $100m to $400m yesterday. The issue continued to trade comfortably within the 32 basis points fees.

The Swiss franc bond market was also weaker yesterday, with prices falling ¼ point on average. ITT's 5⅝ per cent 10 year issue fell that much to 97¼ compared to its par issue price.

Credit Suisse announced a SwFr 30m private placement for Kanto Seiki. The convertible bonds have a five year life and a 2 per cent yield is indicated.

The SwFr 40m convertible issue for Atsugi Nylon was priced by SBC with a coupon of 1⅞ per cent, down from the expected 2 per cent.

The World Bank launched an issue on the domestic Guilder market, for Fl 300m. The bonds have an eight year average life, with final maturity in 1995. ABN set the coupon at 8⅛ per cent and issue price at par.

BHF Bank bond average		
Feb 13		Previous
100.803		100.852
High	1985	Low
103.042		98.058

Loan rescheduling cuts into banks' liquidity

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

INTERNATIONAL bank balance sheets have become much less liquid as a result of rescheduling operations carried out for countries in the developing world, according to figures released today by the Bank for International Settlements.

Short-term lending outside the main industrial countries fell by $11.7bn in the first six months of last year, while longer-term loans (defined as those with a life of one year or more) rose by $11.3bn, BIS says in its latest report on the maturity distribution of international lending.

This trend, which has been apparent for some time in the Euromarkets, may go some way towards explaining the growing appeal of short-term business to banks anxious to offset this loss of liquidity, bankers believe.

BIS figures illustrate the dramatic change in maturity profile of some nations' foreign debt as a result of rescheduling. For example, short-term bank borrowing by Mexico accounted for only 26.6 per cent of its total bank borrowing by mid-1984 compared with 42.4 per cent six months earlier.

In cash terms this meant a drop of $11bn in short-term loans to $18.4bn, while longer-term lending went up to $41bn from $31.2bn.

The bank warns, however, that its latest figures may have been distorted by the introduction of new collection criteria.

For the first time they have been compiled on a consolidated basis so that lending by foreign units of banks with head offices in the main industrial countries is included. Lending by head offices to these units themselves is netted out, and as such lending is normally short-term, the shift to longer term lending may have been overstated.

Its figures also provide an incomplete picture since lending within the main industrial countries which constitute its reporting area is excluded. This means that its figures for unused credit commitments do not reflect the growing fashion for short-term Euronote facilities, most of which are raised by industrial country borrowers.

There was, however, a sharp increase from $29.9bn to $33.3bn in unused credit commitments to smaller industrial countries which may demonstrate the growing use of these facilities by borrowers in countries such as Australia, Norway and Spain.

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

We regret that due to communications problems this listing is incomplete.